

SMG Technology Acceleration SE

renamed to

BigRep SE

Admission to Trading of 12,375,418 New Public Shares

SMG Technology Acceleration SE (renamed to BigRep SE as of the closing of the Business Combination (as defined below)) (Legal Entity Identifier (“LEI”) 213800P9C9Q3F8MRXO87) is a European company (*Société Européenne*) incorporated under the laws of the Grand Duchy of Luxembourg (“Luxembourg”), having its registered office at 9, rue de Bitbourg, L-1273 Luxembourg, Luxembourg (telephone: +352 27 44 41 7714; website: www.bigrep.com), and registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B279346 (“SMG Technology” or the “Company”) and, together with its consolidated subsidiaries, the “SMG Technology Group”, originally established for the purpose of acquiring one operating business with principal business operations in a member state of the European Economic Area, the United Kingdom or Switzerland by way of a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transaction and forming a business combination with such operating business. The sponsor of SMG Technology is SMG Technology Holding S.à r.l. (the “Sponsor”), a wholly-owned subsidiary of SMG Holding S.à r.l. (“SMG Holding”).

On December 20, 2023, SMG Technology, BigRep GmbH (LEI 391200J99KJ54GWXBQ31), a limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated under the laws of the Federal Republic of Germany (“Germany”) and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Charlottenburg under HRB 155360 B with its registered office at Gneisenaustraße 66, 10961 Berlin, Germany (“BigRep”) and, together with its consolidated subsidiaries, the “BigRep Group” and, together with SMG Technology Group, “we”, “us”, “our”, “ourselves” or the “Group”), and all of BigRep’s shareholders entered into a business combination agreement and on May 28, 2024, into an amendment agreement to such business combination agreement (together, the “Business Combination Agreement”) relating to the business combination (the “Business Combination”) between SMG Technology and BigRep, pursuant to which SMG Technology has acquired all outstanding equity of BigRep, in exchange for a consideration consisting of shares in SMG Technology. The Business Combination was consummated on July 29, 2024.

In connection with the consummation of the Business Combination, the Company issued, amongst others, 8,625,418 class A shares with an accounting par value of €0.0548, International Securities Identification Number (“ISIN”) LU2859870326 (the “Consideration Shares” and, together with the Conversion Shares (as defined below), the “New Public Shares” and, together with all existing class A shares of the Company, the “Public Shares”).

Furthermore, 3,750,000 class B shares in the Company held by the Sponsor (the “Sponsor Shares”) converted on a one-on-one basis into class A shares on the day of the consummation of the Business Combination, *i.e.*, on July 29, 2024 (the “Conversion Shares”). In addition, 2,100,000 Public Shares of certain shareholders of SMG Technology were redeemed by the respective shareholders in return for the subscription of an equal number of class C shares with certain liquidation preferences (the “Preferred Shares”) in connection with the Business Combination.

The New Public Shares are dematerialized shares. All New Public Shares carry full dividend rights. Admission to trading of the New Public Shares is expected to be granted on or about July 30, 2024, and trading in the New Public Shares is expected to commence on or about July 31, 2024. The New Public Shares will be included in the existing quotation for the Public Shares on that day. The New Public Shares and the Public Shares will trade under the same ISIN and will be fungible.

Investing in the New Public Shares involves certain risks. See “1. Risk Factors” beginning on page 1.

The New Public Shares for which the Company has applied for admission for trading hereby have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and have not been offered or sold in the United States of America (the “United States” or “U.S.”) or to U.S. persons. Outside the United States, the New Public Shares have only been offered and sold to non-U.S. persons in offshore transactions in compliance with Regulation S under the Securities Act.

This prospectus (the “Prospectus”) has been prepared in the form of a single document within the meaning of Article 6 para. 3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended (the “Prospectus Regulation”), in connection with the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004.

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the “CSSF”), in its capacity as competent authority under the Prospectus Regulation and the Luxembourg law of 16 July 2019 on prospectuses for securities (the “Luxembourg Prospectus Law”) for the purpose of the admission of the New Public Shares to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (General Standard), a regulated market for the purposes of the Market in Financial Instruments Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended, and application has been made to notify the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, the “BaFin”) in accordance with the European passport mechanism set forth in Article 25 para. 1 of the Prospectus Regulation.

This Prospectus will be published in electronic form on the website of the Luxembourg Stock Exchange (<https://www.luxse.com>) and on the Company’s website at www.bigrep.com under the “Investor Relations” section. By approving this Prospectus, the CSSF gives no undertaking as to the economic or financial soundness of the transaction or the quality and solvency of the Company in line with the provisions of Article 6 para. 4 of the Luxembourg Prospectus Law.

July 29, 2024

THE VALIDITY OF THIS PROSPECTUS WILL EXPIRE ON July 29, 2025, BEING TWELVE MONTHS AFTER THE DATE OF ITS APPROVAL. THE INFORMATION IN THIS PROSPECTUS SPEAKS ONLY AS OF THE DATE HEREOF AND ANY OBLIGATION TO SUPPLEMENT THIS PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES WILL NOT APPLY AFTER THE TIME WHEN TRADING OF THE NEW PUBLIC SHARES ON THE FRANKFURT STOCK EXCHANGE BEGINS.

TABLE OF CONTENTS

	<u>Page</u>
I. SUMMARY OF THE PROSPECTUS	S-1
A – Introduction and Warnings	S-1
B – Key Information on the Issuer	S-1
C – Key Information on the Securities	S-5
D – Key Information on the Admission to Trading	S-6
II. ZUSAMMENFASSUNG DES PROSPEKTS.....	S-8
A – Einleitung mit Warnhinweisen	S-8
B – Basisinformationen über die Emittentin	S-8
C – Basisinformationen über die Wertpapiere	S-13
D – Basisinformationen über die Zulassung zum Handel	S-14
1. RISK FACTORS.....	1
1.1 Risks Related to BigRep’s Market.....	1
1.2 Risks Related to BigRep’s Business.....	4
1.3 Risks Related to BigRep’s Acquisition of HAGE3D.....	11
1.4 Risks Related to Regulatory, Legal and Tax Matters.....	12
1.5 Risks Related to the Public Shareholders	17
1.6 Risks Related to the Business Combination	21
2. GENERAL INFORMATION.....	25
2.1 Responsibility Statement.....	25
2.2 Competent Supervisory Authority	25
2.3 Purpose of this Prospectus	25
2.4 Information on the Company’s Securities	25
2.5 International Securities Identification Code/German Securities Code/Common Code/Ticker Symbol.....	32
2.6 Form and Currency of the Public Shares	32
2.7 Voting Rights, Dividend and Liquidation Rights.....	32
2.8 Admission to the Frankfurt Stock Exchange and Commencement of Trading.....	32
2.9 Auditor Report Concerning the Contribution In-Kind.....	32
2.10 Listing Agent.....	33
2.11 Designated Sponsor.....	33
2.12 Luxembourg Paying Agent and LuxCSD Principal Agent	33
2.13 Cost of the Listing	33
2.14 Sources of Market Data.....	33
2.15 Currency Presentation	34
2.16 Forward-Looking Statements.....	34
2.17 Documents Available for Inspection	35
2.18 Alternative Performance Measures.....	35
3. REASONS FOR THE ADMISSION TO TRADING AND USE OF PROCEEDS	39
3.1 Background to and Reasons for the Admission to Trading	39
3.2 Use of Proceeds.....	39
4. EARNINGS AND DIVIDENDS PER SHARE, DIVIDEND POLICY	40
4.1 General Rules on Allocation of Profits and Dividend Payments.....	40
4.2 Limitations on Dividend Payments.....	41
4.3 Dividend Policy and Earnings per Share	41
4.4 Dividend Declared on the Shares.....	41

4.5	Manner and Time of Dividend Payments.....	41
5.	CAPITALIZATION AND INDEBTEDNESS; STATEMENT ON WORKING CAPITAL	42
5.1	Capitalization	42
5.2	Indebtedness	43
5.3	Contingent and Indirect Liabilities	44
5.4	Statement on Working Capital.....	44
6.	DILUTION	45
6.1	Dilution from the Exercise of Public Warrants	45
6.2	Dilution from the Redemption of Preferred Shares.....	45
6.3	Dilution of Participation in Share Capital and Voting Rights.....	46
7.	BUSINESS COMBINATION.....	47
7.1	General	47
7.2	Effect of the Transactions on Existing SMG Technology Equity in the Business Combination	47
7.3	Treatment of BigRep’s Existing Virtual Share Programs	47
7.4	Ownership Structure of SMG Technology after the Consummation of the Business Combination	48
7.5	Background of the Business Combination	48
7.6	SMG Technology’s Reasons for the Business Combination	50
7.7	Valuation Determination.....	51
7.8	Interests of Certain Persons in the Business Combination.....	52
7.9	Transaction Expenses.....	53
7.10	Sources and Uses for the Business Combination	53
7.11	Accounting Treatment of the Business Combination.....	54
8.	BUSINESS COMBINATION AGREEMENT AND ANCILLARY DOCUMENTS	55
8.1	General Description of the Business Combination Agreement	55
8.2	Reorganization of SMG Technology.....	55
8.3	Consideration to the BigRep Shareholders in the Business Combination.....	56
8.4	Termination of Existing ESOPs.....	56
8.5	New ESOP.....	57
8.6	Representation and Warranties	57
8.7	Covenants of the Parties.....	58
8.8	Conditions to the Closing of the Business Combination.....	58
8.9	Sole Remedy.....	58
8.10	Fees and Expenses.....	58
8.11	Miscellaneous.....	59
8.12	Lock-Up Undertakings.....	59
8.13	Ancillary Documents	60
9.	MANAGEMENT’S DISCUSSION AND ANALYSIS OF NET ASSETS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF SMG TECHNOLOGY GROUP.....	64
9.1	Overview	64
9.2	Results of Operations	64
9.3	Selected Items from the Consolidated Statement of Financial Position.....	65
9.4	Liquidity and Capital Resources.....	65
10.	MANAGEMENT’S DISCUSSION AND ANALYSIS OF NET ASSETS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF BIGREP	66
10.1	Overview	66
10.2	Key Factors Affecting our Results of Operations, Financial Condition and Cash Flows.....	67
10.3	Result of Operations.....	68

10.4	Assets, Equities and Liabilities	74
10.5	Liquidity and Capital Resources	77
10.6	Quantitative and Qualitative Disclosure of Market and Other Risks	79
10.7	Contingent Liabilities and Contingent Assets	81
10.8	Significant Accounting Policies.....	81
10.9	Changes in Accounting Standards	82
11.	PRO FORMA CONSOLIDATED FINANCIAL INFORMATION AS OF DECEMBER 31, 2023.....	83
11.1	Introduction	83
11.2	Anticipated Accounting Treatment.....	84
11.3	Historical Financial Information Included in the Unaudited Pro Forma Consolidated Financial Information.....	85
11.4	Basis of Pro Forma Preparation	86
11.5	Pro Forma Assumptions.....	87
11.6	Unaudited Pro Forma Consolidated Statement of Financial Position as of December 31, 2023 and Unaudited Pro Forma Consolidated Statement of Comprehensive Income for the Twelve Months Ended December 31, 2023	90
11.7	Pro Forma Notes to the Unaudited Pro Forma Consolidated Financial Information	93
11.8	Independent Auditor’s Report on the Compilation of the Pro Forma Consolidated Financial Information.....	96
12.	BUSINESS DESCRIPTION	99
12.1	Our Vision	99
12.2	Overview of Our Business	99
12.3	Our Market Opportunity	100
12.4	Our Strengths.....	101
12.5	Our Strategy	104
12.6	Our Business	105
12.7	Intellectual Property	109
12.8	Compliance Management & Data Protection.....	110
12.9	Employees	111
12.10	Real Estate Property Owned and Leased.....	111
12.11	Insurance Coverage.....	111
12.12	Litigation	112
12.13	The HAGE3D Acquisition.....	112
12.14	Material Agreements.....	112
13.	REGULATORY ENVIRONMENT	114
13.1	Regulatory Framework for our Facilities	114
13.2	Product Safety Requirements and Product Liability	114
13.3	Export and Import Control.....	115
13.4	Regulatory Framework for Public Aid	116
13.5	Data Protection and Data Privacy.....	117
13.6	Consumer Protection.....	117
13.7	Intellectual Property	118
14.	LITIGATION AND MATERIAL CONTRACTS OF SMG TECHNOLOGY.....	120
14.1	Litigation	120
14.2	Material Contracts	120
15.	SHAREHOLDER INFORMATION	122
15.1	Major Shareholders	122
15.2	Controlling Interest	122

15.3	Shareholders of BigRep prior to and after the Business Combination	122
16.	GENERAL INFORMATION ON THE COMPANY AND THE GROUP	123
16.1	Formation, Incorporation, Commercial Name and Registered Office.....	123
16.2	Fiscal Year and Duration	123
16.3	The Company’s History	123
16.4	Corporate Purpose.....	123
16.5	Group Structure	124
16.6	Subsidiaries	126
16.7	Management of BigRep	126
16.8	Independent Auditor.....	126
16.9	Notifications and Supplements to this Prospectus	126
17.	SHARE CAPITAL OF THE COMPANY AND APPLICABLE REGULATIONS	127
17.1	Current Share Capital; Shares.....	127
17.2	Development of the Share Capital.....	127
17.3	Authorized Capital	128
17.4	General Rules on Allocation of Profits and Dividend Payments.....	128
17.5	General Provisions Governing the Liquidation of the Company.....	128
17.6	General Provisions Governing a Change in the Share Capital	129
17.7	Mandatory Takeover Bids and Exclusion of Minority Shareholders	130
17.8	Amendment to the Rights of Shareholders.....	133
17.9	Provisions Preventing Change-of-Control.....	133
17.10	Shareholdings Disclosure Requirements	133
18.	GOVERNING BODIES OF THE COMPANY.....	137
18.1	Overview	137
18.2	Management Board	137
18.3	Supervisory Board.....	141
18.4	Certain Information regarding the Members of the Management Board and Supervisory Board; Conflicts of Interest.....	145
18.5	General Shareholders’ Meeting	146
18.6	Corporate Governance	148
19.	CERTAIN RELATIONSHIPS AND RELATED-PARTY TRANSACTIONS OF SMG TECHNOLOGY GROUP.....	149
19.1	Transactions with Related Parties.....	149
19.2	Relationships with Members of the Management Board and the Supervisory Board	149
20.	CERTAIN RELATIONSHIPS AND RELATED-PARTY TRANSACTIONS OF BIGREP	151
20.1	Transactions with Related Parties.....	151
20.2	Relationships with Members of BigRep’s Governing Bodies	152
21.	TAXATION IN LUXEMBOURG	153
21.1	Taxation of the Company.....	153
21.2	Taxation of the Shareholders/Warrant Holders	155
22.	TAXATION IN GERMANY	158
22.1	Taxation of Shareholders Tax Resident in Germany	158
22.2	Taxation of Shareholders not Tax Resident in Germany	165
22.3	Amendment of the Solidarity Surcharge Act	165
22.4	German Controlled Foreign Corporation Rules (<i>Außensteuergesetz</i>)	166
22.5	Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds	166
22.6	The Proposed Financial Transactions Tax.....	166
22.7	Inheritance and Gift Tax	167

22.8	Other Taxes	167
23.	FINANCIAL INFORMATION.....	F-1
24.	AUDITOR'S REPORT CONCERNING THE CONTRIBUTION IN-KIND.....	V-1
25.	GLOSSARY.....	G-1
26.	RECENT DEVELOPMENTS AND TREND INFORMATION.....	O-1
26.1	Recent Developments of SMG Technology.....	O-1
26.2	Recent Developments of BigRep.....	O-1
26.3	Trend Information	O-1

I. SUMMARY OF THE PROSPECTUS

A – Introduction and Warnings

This prospectus (the “**Prospectus**”) relates to the admission to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (General Standard) of 12,375,418 new class A shares with an accounting par value of €0.0548 and International Securities Identification Number (“**ISIN**”) LU2859870326 (the “**New Public Shares**” and together with all existing class A shares of the Company (as defined below), the “**Public Shares**”) of SMG Technology Acceleration SE (renamed to BigRep SE as of the closing of the Business Combination (as defined below)) (Legal Entity Identifier (“**LEI**”) 213800P9C9Q3F8MRXO87), a European company (*Société Européenne*) existing under the laws of the Grand Duchy of Luxembourg (“**Luxembourg**”), having its registered office at 9, rue de Bitbourg, L-1273 Luxembourg, Luxembourg (telephone: +352 27 44 41 7714; website: www.bigrep.com) and registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B279346 (“**SMG Technology**” or the “**Company**” and, together with its consolidated subsidiaries, the “**SMG Technology Group**”).

This Prospectus has been filed with and approved on July 29, 2024 by the *Commission de Surveillance du Secteur Financier*, 283, route d’Arlon, L-1150 Luxembourg, Luxembourg (telephone: +352 26 25 1-1 (switchboard); e-mail: direction@cssf.lu) as competent authority pursuant to Article 6 of the Luxembourg law of 16 July 2019 on prospectuses for securities for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended.

This summary should be read as an introduction to this Prospectus. Any decision to invest in the New Public Shares should be based on a consideration of this Prospectus as a whole by an investor. Investors in the New Public Shares could lose all or part of their invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to persons who have tabled this summary, including any translation thereof, but only where the summary includes misleading, inaccurate or inconsistent statements, when read together with the other parts of this Prospectus, or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the New Public Shares.

B – Key Information on the Issuer

B.1 – Who is the Issuer of the securities?

Issuer Information – The legal and commercial name of the issuer is SMG Technology Acceleration SE (renamed to BigRep SE as of the closing of the Business Combination (as defined below)) (LEI 213800P9C9Q3F8MRXO87). It has its registered office at 9, rue de Bitbourg, L-1273 Luxembourg, Luxembourg, and is registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B279346. The Company is a European company (*Société Européenne*), incorporated and existing under Luxembourg law.

On December 20, 2023, SMG Technology, BigRep GmbH (LEI 391200J99KJ54GWXBQ31), a limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated under the laws of the Federal Republic of Germany (“**Germany**”) and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Charlottenburg under HRB 155360 B with registered office at Gneisenaustraße 66, 10961 Berlin, Germany (“**BigRep**”, together with its consolidated subsidiaries, the “**BigRep Group**” and, together with the SMG Technology Group, “**we**”, “**us**”, “**our**”, “**ourselves**” or the “**Group**”) and all of BigRep’s shareholders entered into a business combination agreement and on May 28, 2024 into an amendment agreement to such business combination agreement (together, the “**Business Combination Agreement**”) relating to the business combination between SMG Technology and BigRep, pursuant to which SMG Technology has acquired all outstanding equity of BigRep, in exchange for a consideration consisting of Public Shares (the “**Business Combination**”). The Business Combination was consummated on July 29, 2024. In connection with the Business Combination, 95,262 Public Shares (approximately 4.3% of the then-outstanding Public Shares, not taking into account Public Shares exchanged in Preferred Shares (as defined below)) were redeemed by the holders of Public Shares. As of the consummation of the Business Combination, *i.e.*, on July 29, 2024, SMG Technology (renamed to BigRep SE) functions as a holding company of BigRep.

Principal Activities – SMG Technology was originally established for the purpose of acquiring one operating business with principal business operations in a member state of the European Economic Area, the United Kingdom or Switzerland by way of a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transactions, targeting the technology sector, which primarily encompassed the following verticals: additive manufacturing (“**AM**”) /3D printing, software as a service (SaaS), and digital infrastructure/blockchain-based technologies. SMG Technology’s principal activities have mainly been limited to organizational activities, including the identification of potential target companies for a business combination, as well as the preparation of the application for admission of the New Public Shares to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (General Standard).

We believe we are one of the fastest-growing AM businesses. Our holistic approach of offering AM solutions comprising reliable German-engineered hardware, tailored materials, intelligent software, and a wide variety of services, in our opinion, sets us apart from our competitors and allows us to meet the needs of a growing and diversifying market. The success of our

business and the trust of our customers is evidenced by more than 800 large-format AM systems installed across a broad range of customers from various industries, in particular automotive, aerospace, and manufacturing as well as our strong revenue growth with a compound annual growth rate (“CAGR”) of approximately 22% between 2021 and 2023. With our hybrid sales model of direct sales through our own sales force and e-shop as well as our broad network of global resellers, we have, by our own estimate, the ability to offer industrial, large-format 3D printing solutions for a very broad range of applications such as rapid prototyping, manufacturing tooling such as jigs and fixtures, forms and molds, as well as end- and spare-part production to a broad customer base globally. Today, BigRep counts blue-chip companies such as Ford, Deutsche Bahn, Canyon, and Airbus, as well as hidden champions like Zoeller or Magirus, but also educational institutions, research institutes, and innovative start-ups among its customers. We have steadily contributed and will continue to contribute to the development of 3D printing and the improvement of traditional production processes and the acceleration of innovation processes.

In 2023, the total 3D printing market was around €18 billion (*source: Wohlers Report 2024, 3D Printing and Additive Manufacturing, Global State of the Industry*) including both small desktop as well as industrial systems, and services. For industrial AM, covering metal and polymer AM, the market amounted to €10.5 billion comprising systems (>€10,000), materials, and print services (*source: AMPOWER Report 2024, Additive Manufacturing Market Report*). The polymer industrial AM market is more than two times as large as the one for metal AM, with the metal segment currently growing faster compared to the polymer part. The total industrial AM market is expected to reach a valuation of €20 billion in 2028 with a CAGR of 13.9% until then (*source: AMPOWER Report 2024, Additive Manufacturing Market Report*).

With our holistic approach, we offer more than just a 3D printer. We deliver AM solutions comprising reliable German-engineered hardware, including the BigRep ONE, STUDIO, PRO, ALTRA 280, IPSO 105 and VIIO 250 as well as intelligent software for ease of use and productivity, including BigRep FLOW, BLADE and CONNECT. Unlike key competitors, we give our customers the freedom to use tailored BigRep branded and quality-controlled materials, such as standard and specialty biopolymers as well as engineering performance polymers, or to use third-party filaments. Our broad value-adding services include part printing in BigRep’s 3D Partlabs, application and materials consulting, training, and eLearning via BigRep’s ACADEMY, and installation and maintenance services.

A team of around 100 competent employees in Germany, the United States, and Singapore successfully and quickly moves projects forward thanks to broad-based expertise, many years of experience and excellent know-how. Research and development pull together with project engineers and service and application technicians to realize holistic solutions from a single source – from project acquisition to continued lifetime support and customer value driving repeat and recurring business. Risks, effects, and possibilities are considered at all times, and the highest level of professionalism is achieved.

We procure supplies from leading suppliers only, most of which are in Germany or Europe, and pursue a hybrid sales model with direct sales and the use of resellers. Our broad network of global resellers consists of more than 50 active resellers covering more than 40 countries. We generate direct sales through our own sales force and our e-shop for materials and spare parts – BigRep HUB.

Major and Controlling Shareholders – As of the date of this Prospectus, de Krassny GmbH holds 28.6%, Koehler Invest GmbH holds 20.5%, BASF Venture Capital GmbH holds 13.4%, HAGE Holding GmbH holds 6.6% and SMG Technology Holding S.à r.l. (the “**Sponsor**”) holds 5.3% of the shares in the Company (considering 2.2 million Public Shares (13.2%) held in treasury). To the knowledge of the Company, the Company is neither directly nor indirectly owned or controlled by any shareholder or third person within the meaning of the Luxembourg law of 19 May 2006 on takeover bids, as amended.

Management – The Company’s management is set up in a two-tier structure. The Company is managed by its management board (the “**Management Board**”), composed of Dr. Sven Thate (CEO) and Dr. Reinhard Festag (CFO), under the supervision of the supervisory board of the Company (the “**Supervisory Board**”), composed of Dr. Peter Smeets (chairman), Philipp Prechtel, Florian Hampel (vice-chairman), Tommy Grosche and Isabella de Krassny.

Independent Auditor – The Company appointed Forvis Mazars Luxembourg S.A., with registered office at 5, Rue Guillaume J. Kroll, L-1882 Luxembourg, Luxembourg, and registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B 159962 as its independent auditor.

B.2 – What is the key financial information regarding the Issuer?

Selected Consolidated Financial Information of SMG Technology Group

SMG Technology was incorporated in 2023 and has not conducted any operations other than organizational activities, the preparation and execution of a private placement, which was completed on October 27, 2023, and its listing and the identification of potential targets for a business combination and subsequent negotiations. Unless indicated otherwise, all financial information presented in the tables below is shown in Euro (in €). Certain financial information, including percentages, has been rounded according to established commercial standards. As a result, rounded figures in the tables below may not add up to the aggregate amounts in such tables (sum totals or subtotals), which are calculated based on unrounded figures. Financial information presented in parentheses denotes the negative of such number presented. A dash (“–”) signifies that the relevant figure is not available or zero, while a zero (“0.0”) signifies that the relevant figure has been rounded to zero. The audit report relating to the historical financial statements of the SMG Technology Group does not contain any qualifications.

Consolidated interim statement of comprehensive income data

	For the period from August 7, 2023 to December 31, 2023	
	(audited)	
	(in €)	
Revenue.....		–
Operating loss		(2,538,832)
Fair value loss on class B warrants		(3,272,000)
Fair value loss on class A warrants		(1,373,900)
Finance income		101,816
Finance costs.....		(384,137)
Loss for the period		(7,465,802)

Consolidated interim statement of financial position data

	As of December 31, 2023	
	(audited)	
	(in €)	
Total assets.....		25,012,942
Total equity		(6,595,802)
Total liabilities		31,608,744
Total equity and liabilities		25,012,942

Consolidated interim statement of cash flows

	For the period from August 7, 2023 to December 31, 2023	
	(audited)	
	(in €)	
Net cash flows used in operating activities		(2,031,900)
Net cash flows from financing activities.....		24,120,632
Cash and cash equivalents at end of period		27,916

Selected Financial Information of BigRep

The audited consolidated financial statements of the BigRep Group as of and for the fiscal years ended December 31, 2023, December 31, 2022 and December 31, 2021 were prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”) and the additional requirements of German commercial law pursuant to Section 315e para. 1 of the German Commercial Code (*Handelsgesetzbuch*).

Unless indicated otherwise, all financial information presented in the tables below is shown in thousands of Euro (in € thousand). Certain financial information, including percentages, has been rounded according to established commercial standards. As a result, rounded figures in the tables included below may not add up to the aggregate amounts in such tables (sum totals or subtotals), which are calculated based on unrounded figures. Financial information presented in parentheses denotes the negative of such number presented. A dash (“–”) signifies that there is no relevant figure, while a zero (“0” or “0.0”) indicates that the relevant figure is available but has been rounded to, or equals, zero.

Consolidated Statement of Total Comprehensive Income

	For the fiscal year ended December 31,		
	2023	2022	2021
	(audited)		
	(in € thousand)		
Revenue from contracts with customers.....	11,229	9,062	7,499
Other income	568	2,407	550
Own work capitalized	2,050	1,746	1,826
Cost of materials	(5,683)	(4,475)	(4,390)
Personnel expenses	(7,690)	(6,894)	(6,642)
Other expenses	(5,460)	(3,954)	(2,803)
Earnings before interest taxation depreciation and amortization (EBITDA)	(4,986)	(2,108)	(3,960)
Depreciation expenses	(825)	(884)	(1,037)
Amortization expenses.....	(1,486)	(1,679)	(1,951)
Operating result (EBIT)	(7,297)	(4,671)	(6,947)

	For the fiscal year ended December 31,		
	2023	2022	2021
	(audited)		
	(in € thousand)		
Finance income	–	–	–
Finance costs	(207)	(161)	(158)
Financial result, net	(207)	(161)	(158)
Profit / Loss before tax (EBT)	(7,505)	(4,832)	(7,105)
Income tax	(25)	(131)	(24)
Profit / Loss for the year	(7,529)	(4,963)	(7,129)
Items that will be reclassified subsequently to profit or loss			
Exchange differences from the translation of foreign operations	74	(301)	(199)
Other comprehensive income / loss for the year, net of tax	74	(301)	(199)
Total comprehensive income / loss for the year	(7,455)	(5,264)	(7,328)

Selected Data from the Consolidated Statement of Financial Position

	As of December 31,		
	2023	2022	2021
	(audited)		
	(in € thousand)		
Non-current assets	4,896	4,482	4,962
Current assets	7,458	6,086	5,993
Total assets	12,354	10,568	10,955
Total equity	3,132	3,786	5,814
Non-current liabilities	3,354	1,158	2,683
Current liabilities	5,869	5,624	2,459
Total equity and liabilities	12,354	10,568	10,955

Selected Data for the Consolidated Statements of Cash Flows

	For the fiscal year ended December 31,		
	2023	2022	2021
	(audited)		
	(in € thousand)		
Cash flow from operating activities	(6,602)	(3,094)	(4,711)
Cash flow from investing activities	(2,735)	(2,037)	(2,035)
Cash flow from financing activities	8,217	4,409	8,562
Cash and bank balances at end of year	649	1,777	2,458

Pro Forma Financial Information Data

Unaudited Pro Forma Consolidated Statement of Comprehensive Income for the Twelve Months Ended December 31, 2023

	SMG Technology Acceleration SE	BigRep GmbH	Total before adjustments	Pro forma adjustments	Total after adjustments
	(in € thousand)				
Revenue from contracts with customers ...	–	11,229	11,229		11,229
Other income	1	568	569		569
Own work capitalized	–	2,050	2,050		2,050
Cost of materials	–	(5,683)	(5,683)		(5,683)
Personnel expenses	–	(7,690)	(7,690)	(536)	(8,226)
Other expenses	(2,539)	(5,460)	(7,999)	(3,074)	(11,073)
				(37,408)	(37,408)
Earnings before interest taxation depreciation and amortization (EBITDA)	(2,538)	(4,986)	(7,524)	(41,018)	(48,542)
Depreciation expenses	–	(825)	(825)	–	(825)
Amortization expenses	–	(1,486)	(1,486)	–	(1,486)
Operating result (EBIT)	(2,538)	(7,297)	(9,835)	(41,018)	(50,853)

Finance income	102	-	102	357	459
Finance costs	(384)	(207)	(591)	(481)	(1,072)
Financial result, net	(282)	(207)	(489)	(124)	(613)
FV gain / (loss) on Class A Warrants	(1,374)	-	(1,374)	-	(1,374)
FV gain / (loss) on Class B Warrants	(3,272)	-	(3,272)	6,272	3,000
Mark-to-market on financial instruments	(4,646)	-	(4,646)	6,272	1,626
Profit / Loss before tax (EBT)	(7,466)	(7,504)	(14,970)	(34,870)	(49,840)
Income tax	-	(25)	(25)	-	(25)
Profit / Loss for the year	(7,466)	(7,529)	(14,995)	(34,870)	(49,865)
Items that will be reclassified subsequently to profit or loss:					
Exchange differences from the translation of foreign operations	-	74	74	-	74
Other comprehensive income / loss for the year, net of tax	-	74	74	-	74
Total comprehensive income / loss for the year	(7,466)	(7,455)	(14,921)	(34,870)	(49,791)

B.3 – What are the key risks that are specific to the Company?

The risks presented below are the main risks specific to the Company after the completion of the Business Combination, based on the risks known by the Company at the time of this Prospectus:

- The markets in which we participate are competitive. Our failure to compete successfully could cause our revenues and the demand for our products to decline.
- Our success and future growth is dependent upon the market’s willingness to adopt AM technology.
- The AM industry in which we operate is characterized by rapid technological change, which requires us to continue developing new products and innovations to meet constantly evolving customer demands and which could adversely affect market adoption of our products.
- We are an early stage company with a history of significant losses, expect to incur significant costs and expenses as well as continuing losses for the foreseeable future and depend on the contemplated transaction and other external financing to continue our operations. There is no guarantee that we will be able to successfully grow and operate our business and achieve profitability in the future. In addition, our auditor has raised doubts whether we can continue operating as a going concern.
- We depend on external capital, such as shareholder loans and convertible bonds, to support our business growth, and this capital might not be available on acceptable terms, if at all. If we fail to implement additional measures to secure capital and liquidity, this could pose an existential risk to us.
- If demand for our products and services, or in the 3D printing market generally, does not grow as expected, our revenues may stagnate or decline, and our profitability may be adversely affected.
- We may not be able to introduce new 3D printers, high-performance systems and consumables acceptable to customers or to improve the technology, software or consumables used in our current systems in response to changing technology and end-user needs.
- If the availability of direct materials (purchased goods, raw materials, packaging, sourced products, energy) decreases, or these costs increase, and we are unable to either offset or pass along increased costs to our customers, our financial condition, liquidity or results of operations have been and could continue to be adversely affected.
- We depend on a limited number of suppliers for a substantial portion of all of our supply needs, and any delay, disruption or quality control problems in their operations could cause harm to our operations, including loss of market share and damage to our brand.
- We and our customers are subject to laws and regulations, including environmental laws and export control laws due to the import and export of our products, as well as environmental, health and safety laws and regulations related to our operations and the use of our systems and materials, which could subject us to compliance costs and/or potential liability in the event of noncompliance.

C – Key Information on the Securities

C.1 – What are the Main Features of the securities?

Number and Form of Shares – 16,675,418 shares in the Company are outstanding, consisting of 14,575,418 Public Shares, of which 2,195,267 Public Shares are held in treasury by the Company, and 2,100,000 class C shares with certain liquidation preferences (the “Preferred Shares”). The Public Shares are in the form of dematerialized shares, each with an accounting

par value of €0.0548. The Preferred Shares are in registered form and not admitted to trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). All shares of the Company are fully paid up.

ISIN and Denomination – The ISIN of the New Public Shares is LU2859870326 and the New Public Shares are denominated in Euros.

Rights Attached to the Shares, relative Seniority and Transferability – Each New Public Share carries one vote in the shareholders’ meeting of the Company. All New Public Shares carry full dividend rights from the date of their issuance. The Public Shares are freely transferable in accordance with legal provisions applicable to dematerialized shares, subject to certain lock-up commitments made by (former) BigRep’s shareholders. The New Public Shares and the Public Shares will trade under the same ISIN and will be fungible.

Dividend Policy – Notwithstanding the articles of association of the Company (the “**Articles of Association**”), the Company does not have a dividend policy and BigRep did not have a dividend policy prior to the Business Combination. The Company currently intends to retain all available funds and any future earnings to support its operations and to finance the growth and development of its business. Therefore, the Company currently does not intend to pay dividends for the foreseeable future. Any future decision to pay dividends will be made in accordance with applicable laws and will, among other things, depend on the Company’s results of operations, financial condition, contractual restrictions and capital requirements. Under the Articles of Association, subject to a certain condition and mandatory provisions of Luxembourg law, Preferred Shares are entitled to a certain preferred dividend, payable only at the Company’s annual general shareholders’ meeting to be held five years after the closing of the Business Combination.

C.2 – Where will the securities be traded?

The New Public Shares are expected to be admitted to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (General Standard).

C.3 – What are the key risks attached to the securities?

- Upon (i) exercise of the class A warrants (the “**Public Warrants**”) against Public Shares and (ii) the redemption of 2,100,000 Preferred Shares against issuance of 3,360,000 new Public Shares, the investors in Public Shares (the “**Public Shareholders**”) may experience substantial dilution in voting rights in an amount of up to 12% (assuming the exercise of all Public Warrants and redemption of 2,100,000 Preferred Shares against issuance of 3,360,000 new Public Shares).
- We will have outstanding Preferred Shares that have rights and preferences senior to the Public Shares.
- There is no guarantee that following the Business Combination a liquid market for the Public Shares will develop and persist.
- SMG Technology and BigRep have no history of operating as a combined company. The pro forma consolidated financial information may not be an indication of BigRep’s financial condition or results of operations following the Business Combination, and, accordingly, investors have limited financial information on which to evaluate BigRep and their investment decision. The risk is increased by the fact that doubts have been expressed by the respective auditors with regard to both the SMG Technology Group and the BigRep Group as to whether each of them can continue as a going concern.
- The process of taking a company public by means of a business combination with a special-purpose acquisition company is different from taking a company public through an underwritten offering and may create risks for our unaffiliated investors.

D – Key Information on the Admission to Trading

D.1 – Under which conditions and timetable can I invest in this security?

Scope of Offering – This Prospectus does not relate to an offering of shares.

Admission to Trading – Admission to trading of the New Public Shares is expected to be granted on or about July 30, 2024 and trading in the New Public Shares is expected to commence on or about July 31, 2024. The New Public Shares will be included in the existing quotation for the Public Shares on that day.

Dilution – Net asset value per share after the Business Combination: €(0.29); overall net asset value per share after exercise of all Public Warrants against cash at €7.00: €0.84; overall net asset value per share after redemption of 2,100,000 Preferred Shares against issuance of 3,360,000 new Public Shares: €0.23 (not reflecting the exercise of Public Warrants).

Estimated Total Expenses – We estimate the total expenses related to the listing of the New Public Shares of approximately €5.1 million.

Expenses Charged to Investors – The Company will not charge any fees to investors. Only customary transaction and handling fees will be charged by the investors’ brokers.

D.2 – Who is the Person asking for Admission to Trading?

Admission to Trading – On July 19, 2024, Baader Bank Aktiengesellschaft (LEI 529900JFOPPEDUR61H13), a stock corporation (*Aktiengesellschaft*) incorporated and operating under the laws of Germany, with its seat in Unterschleißheim, Germany, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich under HRB 121537, with its registered office at Weihenstephaner Strasse 4, 85716 Unterschleißheim, Germany, and SMG Technology (renamed to BigRep SE), *i.e.*, the Company, applied for the admission of the New Public Shares to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (General Standard).

D.3 – Why is the Prospectus being produced?

Reasons for the Admission to Trading – This Prospectus relates to the admission to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (General Standard) of 12,375,418 New Public Shares with an accounting par value of €0.0548 each as part of (i) the issuance of 8,625,418 New Public Shares as consideration for the acquisition of all shares held by BigRep’s shareholders in BigRep from a capital increase in the amount of €472,649.32 against contributions in-kind, resolved by the Management Board on July 26, 2024, and approved by the Supervisory Board acting through its delegate on the same day, utilizing the authorized capital under the Articles of Association (the “**Consideration Shares**”), and (ii) the conversion of 3,750,000 class B shares (the “**Sponsor Shares**”) on a one-on-one basis into 3,750,000 New Public Shares (the “**Conversion Shares**”).

	<u>Number of Shares</u>
Consideration Shares	8,625,418
Conversion Shares	3,750,000
Total	12,375,418

Use of Proceeds – This Prospectus does not relate to an offering of shares. We intend to use the gross proceeds we receive as a result of the Business Combination to cover the fees and expenses associated with consummating the Business Combination and to reinforce our working capital buffer and strengthening our balance sheet, and investments in our business.

Estimated Net Proceeds – This Prospectus does not relate to an offering of shares.

Material conflicts of interest – The Sponsor and through his participation in the Sponsor, Dr. Stefan Petrikovics (CEO), have, due to their direct or indirect shareholdings in SMG Technology, a material conflict of interest with respect to the consummation of the Business Combination, particularly due to the value of the Sponsor Shares converted into Public Shares at the time of the consummation of Business Combination compared to their purchase price. Koehler Invest GmbH has a material conflict of interest with respect to the consummation of the Business Combination, particularly due to the shareholding of Koehler Invest GmbH at the same time in both, SMG Technology and BigRep, prior to the consummation of the Business Combination.

II. ZUSAMMENFASSUNG DES PROSPEKTS

(TRANSLATION OF THE ENGLISH SUMMARY)

A – Einleitung mit Warnhinweisen

Dieser Prospekt (der „**Prospekt**“) bezieht sich auf die Zulassung zum Handel im regulierten Markt an der Frankfurter Wertpapierbörse (General Standard) von 12.375.418 neuen Aktien der Klasse A mit einem rechnerischen Nennwert von € 0,0548, internationale Wertpapier-Identifikationsnummer („**ISIN**“) LU2859870326 (die „**Neuen Öffentlichen Aktien**“ und gemeinsam mit allen bereits ausgegebenen Aktien der Klasse A der Gesellschaft (wie nachstehend definiert), die „**Öffentlichen Aktien**“) der SMG Technology Acceleration SE (mit dem Vollzug des Unternehmenszusammenschlusses (wie nachstehend definiert) umbenannt in BigRep SE) (Rechtsträgerkennung (*Legal Entity Identifier*, („**LEI**“)) 213800P9C9Q3F8MRXO87), einer europäischen Gesellschaft (*Société Européenne*) nach dem Recht des Großherzogtums Luxemburg („**Luxemburg**“) mit Sitz in 9, rue de Bitbourg, L-1273, Luxemburg, Luxemburg (Telefon: +352 27 44 41 7714, Website: www.bigrep.com), eingetragen im Luxemburger Handels- und Gesellschaftsregister (*Registre de Commerce et des Sociétés de Luxembourg*) unter der Nummer B279346 („**SMG Technology**“ oder die „**Gesellschaft**“ und zusammen mit ihren konsolidierten Tochtergesellschaften, die „**SMG Technology Gruppe**“).

Dieser Prospekt wurde bei der *Commission de Surveillance du Secteur Financier*, 283, route d’Arlon, L-1150 Luxemburg, Luxemburg (Telefon: +352 26 25 1-1 (Zentrale); E-Mail: direction@cssf.lu) als zuständiger Behörde gemäß § 6 des luxemburgischen Gesetzes vom 16. Juli 2019 über Prospekte für Wertpapiere für die Anwendung der Verordnung (EU) 2017/1129 des Europäischen Parlaments und des Rates vom 14. Juni 2017 über den Prospekt, der beim öffentlichen Angebot von Wertpapieren oder bei deren Zulassung zum Handel an einem geregelten Markt zu veröffentlichen ist, und zur Aufhebung der Richtlinie 2003/71/EG, in ihrer aktuell gültigen Fassung eingereicht und von dieser am 29. Juli 2024 gebilligt.

Diese Zusammenfassung sollte als Prospektinleitung verstanden werden. Anleger sollten sich bei jeder Entscheidung, in die Neuen Öffentlichen Aktien zu investieren, auf diesen Prospekt als Ganzes stützen. Anleger in die Neuen Öffentlichen Aktien könnten ihr investiertes Kapital ganz oder teilweise verlieren. Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in diesem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger nach nationalem Recht die Kosten für die Übersetzung dieses Prospekts vor Prozessbeginn zu tragen haben. Zivilrechtlich haften nur diejenigen Personen, die diese Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben, und dies auch nur für den Fall, dass diese Zusammenfassung, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird, irreführend, unrichtig oder widersprüchlich ist oder dass sie, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird, nicht die Basisinformationen vermittelt, die in Bezug auf Anlagen in die Neuen Öffentlichen Aktien für die Anleger eine Entscheidungshilfe darstellen würden.

B – Basisinformationen über die Emittentin

B.1 – Wer ist die Emittentin der Wertpapiere?

Angaben zur Emittentin – Der rechtliche und kommerzielle Name der Emittentin ist SMG Technology Acceleration SE (mit dem Vollzug des Unternehmenszusammenschlusses (wie nachstehend definiert) umbenannt in BigRep SE) (LEI 213800P9C9Q3F8MRXO87) mit eingetragenem Sitz in 9, rue de Bitbourg, L 1273, Luxemburg, Luxemburg, und ist eingetragen im Luxemburger Handels- und Gesellschaftsregister (*Registre de Commerce et des Sociétés de Luxembourg*) unter der Nummer B279346. Die Gesellschaft ist eine Europäische Gesellschaft (*Société Européenne*), die nach luxemburgischem Recht gegründet wurde und besteht.

Am 20. Dezember 2023 schlossen SMG Technology, BigRep GmbH (LEI 391200J99KJ54GWXBQ31), eine Gesellschaft mit beschränkter Haftung (GmbH) nach dem Recht der Bundesrepublik Deutschland („**Deutschland**“) mit Sitz in Berlin, Deutschland, eingetragen im Handelsregister des Amtsgerichts Charlottenburg unter HRB 155360 B, mit eingetragener Geschäftsanschrift in der Gneisenaustraße 66, 10961 Berlin, Deutschland („**BigRep**“, zusammen mit ihren konsolidierten Tochtergesellschaften, die „**BigRep Gruppe**“ und zusammen mit der SMG Technology Gruppe, „**wir**“, „**uns**“, „**unsere**“, „**wir selbst**“ oder die „**Gruppe**“), und sämtliche Aktionäre von BigRep eine Unternehmenszusammenschlussvereinbarung und am 28. Mai 2028 eine Änderungsvereinbarung zu dieser Unternehmenszusammenschlussvereinbarung (zusammen, die „**Unternehmenszusammenschlussvereinbarung**“) über den Unternehmenszusammenschluss zwischen SMG Technology und BigRep, wonach SMG Technology das gesamte ausstehende Eigenkapital von BigRep im Austausch gegen eine Gegenleistung, bestehend aus Öffentlichen Aktien, erworben hat (der „**Unternehmenszusammenschluss**“). Der Unternehmenszusammenschluss wurde am 29. Juli 2024 vollzogen. Im Zusammenhang mit dem Unternehmenszusammenschluss wurden 95.262 Öffentliche Aktien (ca. 4,3 % der zu diesem Zeitpunkt im Umlauf befindlichen Öffentlichen Aktien (ohne Berücksichtigung der Öffentlichen Aktien, die in Vorzugsaktien (wie unten definiert) umgetauscht wurden) von den Inhabern der Öffentlichen Aktien zurückgegeben. Seit dem Vollzug des Unternehmenszusammenschlusses, *d.h.* am 29. Juli 2024, fungiert SMG Technology (umbenannt in BigRep SE) als Holdinggesellschaft von BigRep.

Haupttätigkeiten – SMG Technology wurde ursprünglich zu dem Zweck gegründet, ein operatives Unternehmen mit Hauptgeschäftsaktivitäten in einem Mitgliedstaat des Europäischen Wirtschaftsraums, im Vereinigten Königreich oder in der Schweiz in Form einer Verschmelzung, eines Aktientauschs, eines Aktienkaufs, eines Erwerbs von Vermögenswerten, einer Umstrukturierung oder ähnlicher Transaktionen zu erwerben, ausgerichtet auf den Technologiesektor, der in erster

Linie die folgenden Branchen umfasst: additive Fertigung („**AF**“)/3D-Druck, Software as a Service (SaaS) und digitale Infrastruktur/Blockchain-basierte Technologien. Die Haupttätigkeiten von SMG Technology haben sich hauptsächlich auf organisatorische Tätigkeiten beschränkt, einschließlich der Identifizierung potenzieller Zielunternehmen für einen Unternehmenszusammenschluss, sowie auf die Vorbereitung des Antrags auf Zulassung der Neuen Öffentlichen Aktien zum Handel im regulierten Markt an der Frankfurter Wertpapierbörse (General Standard).

Wir glauben, dass wir eines der am schnellsten wachsenden Unternehmen im Bereich der AF sind. Unser ganzheitlicher Ansatz, AF-Lösungen anzubieten, die aus zuverlässiger deutscher Hardware, maßgeschneiderten Materialien, intelligenter Software und einer Vielzahl von Dienstleistungen bestehen, hebt uns unserer Meinung nach von unseren Mitbewerbern ab und ermöglicht es uns, die Anforderungen eines wachsenden und diversifizierten Marktes zu erfüllen. Der Erfolg unseres Geschäfts und das Vertrauen unserer Kunden zeigt sich in mehr als 800 installierten großformatigen AF-Systemen bei einem breiten Spektrum von Kunden aus verschiedenen Branchen, insbesondere der Automobilindustrie, der Luft- und Raumfahrt und der verarbeitenden Industrie, sowie unserem starken Umsatzwachstum mit einer durchschnittlichen jährlichen Wachstumsrate („**CAGR**“) von ca. 22 % zwischen 2021 und 2023. Mit unserem hybriden Vertriebsmodell aus Direktvertrieb über unser eigenes Verkaufspersonal und unseren E-Shop sowie unserem breiten Netzwerk globaler Wiederverkäufer sind wir nach eigener Einschätzung in der Lage, industrielle, großformatige 3D-Drucklösungen für eine sehr breite Palette von Anwendungen wie Rapid Prototyping, Fertigungswerkzeuge wie Vorrichtungen, Formen und Gussformen sowie End- und Ersatzteilproduktion einem breiten Kundenstamm weltweit anzubieten. Heute zählt BigRep Blue-Chip-Unternehmen wie Ford, Deutsche Bahn, Canyon und Airbus, sowie „Hidden Champions“ wie Zoeller oder Magirus, aber auch Bildungseinrichtungen, Forschungsinstitute und innovative Start-ups zu seinen Kunden. Wir haben kontinuierlich zur Entwicklung des 3D-Drucks und zur Verbesserung traditioneller Produktionsprozesse sowie zur Beschleunigung von Innovationsprozessen beigetragen und beabsichtigen dies auch in Zukunft.

Im Jahr 2023 belief sich der 3D-Druck Gesamtmarkt auf rund € 18 Milliarden (*Quelle: Wohlers Report 2024, 3D Printing and Additive Manufacturing, Global State of the Industry*), der sowohl kleine Desktop- als auch industrielle Systeme und Dienstleistungen umfasst. Bei der industriellen AF, welche die AF von Metallen und Polymeren einschließt, belief sich der Markt auf € 10,5 Milliarden und umfasste Systeme (über € 10.000), Materialien und Druckdienstleistungen (*Quelle: AMPOWER Report 2024, Additive Manufacturing Market Report*). Der Markt für die industrielle AF von Polymeren ist mehr als doppelt so groß wie der für die AF von Metallen, wobei das Metallsegment derzeit schneller wächst als der Polymerbereich. Es wird erwartet, dass der gesamte Markt für industrielle AF im Jahr 2028 einen Wert von € 20 Milliarden erreichen wird, mit einer CAGR von 13,9 % bis dahin (*Quelle: AMPOWER Report 2024, Additive Manufacturing Market Report*).

Mit unserem ganzheitlichen Ansatz bieten wir mehr als nur einen 3D-Drucker. Wir liefern Lösungen für die AF, bestehend aus zuverlässiger, in Deutschland entwickelter Hardware, darunter BigRep ONE, STUDIO, PRO, ALTRA 280, IPSO 105 und VIO 250, sowie intelligenter Software für Produktivität und Benutzerfreundlichkeit, darunter BigRep FLOW, BLADE und CONNECT. Im Gegensatz zu wichtigen Wettbewerbern geben wir unseren Kunden die Freiheit, maßgeschneiderte BigRep-Marken und qualitätsgeprüfte Materialien zu verwenden, wie Standard- und Spezial-Biopolymere und technische Hochleistungspolymere, oder Filamente von Drittanbietern einzusetzen. Zu unseren umfangreichen wertschöpfenden Dienstleistungen gehören der Druck von Bauteilen in den BigRep 3D Partlabs, Anwendungs- und Materialberatung, Schulungen und eLearning über die BigRep ACADEMY sowie Installations- und Wartungsservice, um einen schnellen Kundenerfolg vor und nach dem Kauf auch für weniger erfahrene Anwender zu gewährleisten.

Ein Team von rund 100 kompetenten Mitarbeitern in Deutschland, den Vereinigten Staaten und Singapur treibt Projekte dank breit gefächelter Expertise, langjähriger Erfahrung und exzellentem Know-how erfolgreich und schnell voran. Forschung und Entwicklung ziehen an einem Strang mit Projektingenieuren, Service- und Anwendungstechnikern, um ganzheitliche Lösungen aus einer Hand zu realisieren – von der Projektakquise über die lebenslange Betreuung bis hin zum Kundennutzen, der zu Folge- und Folgegeschäften führt. Dabei werden Risiken, Auswirkungen und Möglichkeiten jederzeit berücksichtigt und ein Höchstmaß an Professionalität erreicht.

Wir beziehen unsere Produkte ausschließlich von führenden Lieferanten, die meisten davon in Deutschland oder Europa, und verfolgen ein hybrides Vertriebsmodell mit Direktvertrieb und dem Einsatz von Wiederverkäufern. Unser breites Netz von Wiederverkäufern weltweit besteht aus mehr als 50 aktiven Vertriebspartnern, die mehr als 40 Länder abdecken. Den Direktvertrieb generieren wir über unseren eigenen Außendienst und unseren E-Shop für Materialien und Ersatzteile – BigRep HUB.

Haupt- und beherrschende Aktionäre – Zum Datum dieses Prospekts hält Krassny GmbH 28,6 %, Koehler Invest GmbH hält 20,5 %, BASF Venture Capital GmbH hält 13,4 %, HAGE Holding GmbH hält 6,6 % und SMG Technology Holding S.à r.l. (der „**Sponsor**“) hält 5,3% der Aktien der Gesellschaft (unter Berücksichtigung von 2,2 Millionen Öffentlichen Aktien (13,2 %), die als eigene Aktien gehalten werden). Nach Kenntnis der Gesellschaft wird die Gesellschaft weder direkt noch indirekt von einem Aktionär oder einer dritten Person beherrscht oder kontrolliert im Sinne des luxemburgischen Gesetzes vom 19. Mai 2006 über Übernahmeangebote in seiner geänderten Fassung.

Management – Das Management der Gesellschaft ist in einer zweistufigen Struktur aufgebaut. Die Gesellschaft wird von ihrem Vorstand geleitet, bestehend aus Dr. Sven Thate (CEO) und Dr. Reinhard Festag (CFO) (der „**Vorstand**“) unter der Aufsicht des Aufsichtsrates der Gesellschaft (der „**Aufsichtsrat**“), welcher aus Dr. Peter Smeets (Vorsitzender), Philipp Prechtel, Florian Hampel (Stellvertretender Vorsitzender), Tommy Grosche und Isabella de Krassny besteht.

Unabhängiger Abschlussprüfer – Die Gesellschaft hat Forvis Mazars Luxembourg S.A., mit eingetragenem Sitz in 5, Rue Guillaume J. Kroll, L-1882 Luxemburg, Luxemburg, eingetragen im Luxemburger Handels- und Gesellschaftsregister (*Registre de Commerce et des Sociétés de Luxembourg*) unter Nummer B 159962, zu ihrem unabhängigen Abschlussprüfer ernannt.

B.2 – Welches sind die wesentlichen Finanzinformationen über die Emittentin?

Ausgewählte Konzernfinanzinformationen SMG Technology Gruppe

SMG Technology wurde 2023 gegründet und hat außer organisatorischen Aktivitäten, der Vorbereitung und Durchführung einer Privatplatzierung, die am 27. Oktober 2023 abgeschlossen wurde, der Börsennotierung und der Identifizierung potenzieller Ziele für einen Unternehmenszusammenschluss und den anschließenden Verhandlungen keine weiteren Aktivitäten durchgeführt. Sofern nicht anders angegeben, werden alle Finanzinformationen in den nachfolgenden Tabellen in Euro (in €) angegeben. Bestimmte Finanzinformationen, einschließlich Prozentangaben, wurden unter Anwendung kaufmännischer Standards gerundet. Folglich kann es sich ergeben, dass die gerundeten Zahlen in den nachfolgenden Tabellen nicht die angegebenen Summe ergeben (Gesamtsumme oder Zwischensumme), welche auf der Basis nicht gerundeter Zahlen berechnet wurden. Finanzinformationen, welche in Klammern angegeben werden stellen das negative der angegebenen Zahl dar. Ein Gedankenstrich („-“) erläutert, dass die Zahl entweder nicht vorhanden oder Null ist, während eine Null („0,0“) erläutert, dass die relevante Zahl auf Null gerundet wurde. Der Prüfungsberichte in Bezug auf die wesentlichen historischen Finanzinformationen der SMG Technology Gruppe enthält keine Einschränkungen.

Konsolidierte vorläufige Gewinn- und Verlustrechnung

	Für den Zeitraum vom 7. August 2023 bis zum 31. Dezember 2023
	(geprüft) (in €)
Einkünfte	–
Operativer Verlust	(2.538.832)
Zeitwertgewinn/(-verlust) aus Optionsscheinen der Klasse A ..	(3.272.000)
Zeitwertgewinn/(-verlust) aus Optionsscheinen der Klasse B...	(1.373.900)
Finanzerträge	101.816
Finanzaufwendungen.....	(384.137)
Verlust für den Zeitraum.....	(7.465.802)

Darstellung der vorläufigen konsolidierten Finanzpositionen

	Zum 31. Dezember 2023
	(geprüft) (in €)
Gesamt Vermögenswert	25.012.942
Gesamtes Eigenkapital	(6.595.802)
Gesamte Verbindlichkeiten	31.608.744
Gesamtes Eigenkapital und Verbindlichkeiten.....	25.012.942

Vorläufige konsolidierte Kapitalflussrechnung

	Für den Zeitraum vom 7. August 2023 bis zum 31. Dezember 2023
	(geprüft) (in €)
Kapitalfluss aus operativer Tätigkeit (netto).....	(2.031.900)
Kapitalfluss aus Finanzierungstätigkeit (netto).....	24.120.632
Barmittel und Barmitteläquivalente zum Ende der Periode	27.916

Ausgewählte Finanzinformationen von BigRep

Die geprüften Konzernabschlüsse der BigRep Gruppe für die zum 31. Dezember 2023, 31. Dezember 2022 und 31. Dezember 2021 beendeten Geschäftsjahre wurden in Übereinstimmung mit den von der Europäischen Union umgesetzten International Financial Reporting Standards („IFRS“) und den zusätzlichen Anforderungen des deutschen Handelsrechts gemäß § 315e Abs. 1 Handelsgesetzbuch erstellt.

Die in den untenstehenden Tabellen aufgeführten Finanzinformationen werden in Tausend Euro (€ Tsd.) angegeben, soweit nicht anders angegeben. Bestimmte Finanzinformationen, einschließlich Prozentsätze, wurden kaufmännisch gerundet. Daher entsprechen die gerundeten Zahlen in den untenstehenden Tabellen möglicherweise nicht in allen Fällen den Gesamtwerten (Summen oder Zwischensummen) in diesen Tabellen, die auf Basis ungerundeter Zahlen berechnet werden. Bei in Klammern angegebenen Finanzinformationen handelt es sich um den negativen Wert der dargestellten Zahlen. Ein Gedankenstrich („-“) indiziert, dass die jeweilige Zahl nicht verfügbar ist, während eine Null („0“ oder „0,0“) bedeutet, dass die jeweilige Zahl verfügbar ist, jedoch Null beträgt oder auf Null gerundet wurde.

Ausgewählte Daten aus der Konzern-Gewinn- und Verlustrechnung

	Für das zum 31. Dezember beendete Geschäftsjahr		
	2023	2022	2021
		(geprüft)	
		(in € Tsd.)	
Erlöse aus Verträgen mit Kunden.....	11.229	9.062	7.499
Sonstige Erträge	568	2.407	550
Aktiviert Eigenleistung	2.050	1.746	1.826
Materialaufwand	(5.683)	(4.475)	(4.390)
Personalaufwand	(7.690)	(6.894)	(6.642)
Sonstige Aufwendungen	(5.460)	(3.954)	(2.803)
Ergebnis vor Zinsen, Steuern, Abschreibungen (EBITDA)	(4.986)	(2.108)	(3.960)
Abschreibungsaufwendungen.....	(825)	(884)	(1.037)
Wertminderungsaufwendungen.....	(1.486)	(1.679)	(1.951)
Betriebsergebnis (EBIT)	(7.297)	(4.671)	(6.947)
Finanzerträge.....	–	–	–
Finanzaufwand	(207)	(161)	(158)
Finanzergebnis, netto	(207)	(161)	(158)
Gewinn / Verlust vor Steuern (EBT)	(7.505)	(4.832)	(7.105)
Ertragsteuer	(25)	(131)	(24)
Konzernergebnis für das Jahr	(7.529)	(4.963)	(7.129)
Posten, die später in den Gewinn oder Verlust umgliedert werden			
Währungsdifferenzen aus der Umrechnung ausländischer Geschäftsbetriebe	74	(301)	(199)
Sonstiges Gesamtergebnis des Jahres, nach Steuern	74	(301)	(199)
Gesamtergebnis für das Jahr	(7.455)	(5.264)	(7.328)

Ausgewählte Daten aus der Konzernbilanz

	Zum 31. Dezember		
	2023	2022	2021
		(geprüft)	
		(in € Tsd.)	
Langfristige Vermögenswerte	4.896	4.482	4.962
Kurzfristige Vermögenswerte.....	7.458	6.086	5.993
Summe Vermögenswerte	12.354	10.568	10.955
Summe Eigenkapital	3.132	3.786	5.814
Langfristige Verbindlichkeiten.....	3.354	1.158	2.683
Kurzfristige Verbindlichkeiten.....	5.869	5.624	2.459
Summe Eigenkapital und Verbindlichkeiten	12.354	10.568	10.955

Ausgewählte Daten aus der Konzern-Kapitalflussrechnung

	Für das zum 31. Dezember beendete Geschäftsjahr		
	2023	2022	2021
		(geprüft)	
		(in € Tsd.)	
Netto-Cashflows aus operativer Tätigkeit.....	(6.602)	(3.094)	(4.711)
Netto-Cashflows aus der Investitionstätigkeit	(2.735)	(2.037)	(2.035)
Netto-Cashflows aus der Finanzierungstätigkeit.....	8.217	4.409	8.562
Zahlungsmittel und Bankguthaben am Ende des Jahres	649	1.777	2.458

Daten aus den Pro Forma Finanzinformationen

Ungeprüfte konsolidierte Pro Forma-Gesamtergebnisrechnung für die zum 31. Dezember 2023 beendeten Zwölf Monate

	SMG Technology Acceleration SE	BigRep GmbH	Summe vor Anpassungen	Pro Forma Anpassungen	Summe nach Anpassungen
			(in € Tsd.)		
Erlöse aus Verträgen mit Kunden	–	11.229	11.229		11.229

Sonstige Erträge.....	1	568	569		569
Aktiviere Eigenleistung.....	–	2.050	2.050		2.050
Materialaufwand.....	–	(5.683)	(5.683)		(5.683)
Personalaufwand.....	–	(7.690)	(7.690)	(536)	(8.226)
Sonstige Aufwendungen.....	(2.539)	(5.460)	(7.999)	(3.074)	(11.073)
				(37.408)	(37.408)
Ergebnis vor Zinsen, Steuern, Abschreibungen (EBITDA).....	(2.538)	(4.986)	(7.524)	(41.018)	(48.542)
Abschreibungsaufwendungen.....	–	(825)	(825)	–	(825)
Wertminderungsaufwendungen.....	–	(1.486)	(1.486)	–	(1.486)
Betriebsergebnis (EBIT).....	(2.538)	(7.297)	(9.835)	(41.018)	(50.853)
Finanzerträge.....	102	-	102	357	459
Finanzaufwand.....	(384)	(207)	(591)	(481)	(1.072)
Finanzergebnis, netto.....	(282)	(207)	(489)	(124)	(613)
Zeitwertgewinn / (-verlust) aus Optionsscheinen der Klasse A.....	(1.374)	–	(1.374)	–	(1.374)
Zeitwertgewinn / (-verlust) aus Optionsscheinen der Klasse B.....	(3.272)	–	(3.272)	6.272	3.000
Marktwert von Finanzinstrumenten.....	(4.646)	–	(4.646)	6.272	1.626
Gewinn / Verlust vor Steuern (EBT).....	(7.466)	(7.504)	(14.970)	(34.870)	(49.840)
Ertragsteuer.....	–	(25)	(25)	–	(25)
Konzernergebnis für das Jahr.....	(7.466)	(7.529)	(14.995)	(34.870)	(49.865)
Posten, die später in den Gewinn oder Verlust umgegliedert werden.....					
Währungsdifferenzen aus der Umrechnung ausländischer Geschäftsbetriebe.....	–	74	74	–	74
Sonstiges Gesamtergebnis des Jahres, nach Steuern.....	–	74	74	–	74
Gesamtergebnis für das Jahr.....	(7.466)	(7.455)	(14.921)	(34.870)	(49.791)

B.3 – Welches sind die zentralen Risiken, die für die Emittentin spezifisch sind?

Die im Folgenden dargestellten Risiken sind die Hauptrisiken, die für die Gesellschaft nach dem Vollzug des Unternehmenszusammenschlusses bestehen, basierend auf den Risiken, die der Gesellschaft zum Zeitpunkt der Erstellung dieses Prospekts bekannt sind:

- Die Märkte, in denen wir tätig sind, sind ausgesprochen wettbewerbsintensiv. Wenn wir im Wettbewerb nicht erfolgreich sind, könnten unsere Einnahmen und die Nachfrage nach unseren Produkten zurückgehen.
- Unser Erfolg und zukünftiges Wachstum hängt von der Bereitschaft des Marktes ab, die Technologie der AF zu übernehmen.
- Die additive Fertigungsindustrie, in der wir tätig sind, ist durch einen raschen technologischen Wandel gekennzeichnet, der von uns verlangt, ständig neue Produkte und Innovationen zu entwickeln, um den sich ständig ändernden Kundenanforderungen gerecht zu werden, was sich negativ auf die Marktakzeptanz unserer Produkte auswirken könnte.
- Wir sind ein Unternehmen in der Frühphase, das in der Vergangenheit beträchtliche Verluste gemacht hat, und erwarten, dass wir in absehbarer Zukunft erhebliche Kosten und Ausgaben sowie anhaltende Verluste haben werden, und sind auf die geplante Transaktion und andere externe Finanzierungen angewiesen, um unsere Geschäftstätigkeit fortzusetzen. Es gibt keine Garantie dafür, dass wir in der Lage sein werden, unser Geschäft erfolgreich auszubauen und zu betreiben und in Zukunft Gewinne zu erzielen. Unser Wirtschaftsprüfer hat zudem Zweifel daran geäußert, ob wir unsere Geschäftstätigkeit fortsetzen können.
- Wir sind auf externes Kapital, wie z.B. Gesellschafterdarlehen und Wandelanleihen, angewiesen, um unser Geschäftswachstum zu unterstützen, und dieses Kapital könnte nicht zu akzeptablen Bedingungen oder überhaupt nicht verfügbar sein. Wenn es uns nicht gelingt, zusätzliche Maßnahmen zur Sicherung von Kapital und Liquidität zu ergreifen, könnte dies ein existenzielles Risiko für uns darstellen.
- Wenn die Nachfrage nach unseren Produkten und Dienstleistungen oder auf dem 3D-Druckmarkt im Allgemeinen nicht wie erwartet wächst, könnten unsere Umsätze stagnieren oder zurückgehen und unsere Rentabilität könnte negativ beeinflusst werden.
- Wir könnten nicht in der Lage sein, neue 3D-Drucker, Hochleistungssysteme und Verbrauchsmaterialien einzuführen, die für die Kunden akzeptabel sind, oder die Technologie, Software oder Verbrauchsmaterialien, die in unseren aktuellen Systemen verwendet werden, als Reaktion auf sich ändernde Technologien und Endnutzeranforderungen, zu verbessern.
- Wenn die Verfügbarkeit direkter Materialien (eingekaufte Waren, Rohstoffe, Verpackungen, zugekaufte Produkte, Energie) abnimmt oder diese Kosten steigen und wir nicht in der Lage sind, die gestiegenen Kosten entweder

auszugleichen oder an unsere Kunden weiterzugeben, wurden und werden unsere Finanzlage, Liquidität oder Betriebsergebnisse möglicherweise weiterhin negativ beeinflusst.

- Wir sind von einer begrenzten Anzahl von Zulieferern abhängig, die einen wesentlichen Teil unseres gesamten Bedarfs decken, und jede Verzögerung, Unterbrechung oder Qualitätskontrollproblematik in ihren Betrieben könnte unsere Geschäftstätigkeit beeinträchtigen, einschließlich des Verlusts von Marktanteilen und der Schädigung unserer Marke.
- Wir und unsere Kunden unterliegen Gesetzen und Vorschriften, einschließlich Umweltgesetzen und Exportkontrollgesetzen aufgrund des Imports und Exports unserer Produkte sowie Umwelt-, Gesundheits- und Sicherheitsgesetzen und -vorschriften im Zusammenhang mit unseren Tätigkeiten und der Verwendung unserer Systeme und Materialien, die uns im Falle der Nichteinhaltung Kosten und/oder eine potenzielle Haftung auferlegen könnten.

C – Basisinformationen über die Wertpapiere

C.1 – Welches sind die wichtigsten Merkmale der Wertpapiere?

Anzahl und Eigenschaften der Aktien – Die Gesellschaft hat insgesamt 16.675.418 Aktien ausgegeben, welche sich aus 14.575.418 Öffentlichen Aktien, von denen 2.195.267 Öffentliche Aktien von der Gesellschaft als eigene Aktien gehalten werden, und 2.100.000 Klasse C Aktien (die „**Vorzugsaktien**“) mit Liquidationsvorteilen zusammensetzen. Die Öffentlichen Aktien sind in der Form von dematerialisierten Aktien, jeweils mit einem rechnerischen Nennwert von € 0,0548. Alle Aktien der Gesellschaft sind voll eingezahlt.

ISIN und Denominierung – Die ISIN der Neuen Öffentlichen Aktien lautet LU2859870326 und die Neuen Öffentlichen Aktien sind in Euro denominiert.

Mit den Aktien verbundene Rechte, relative Seniorität und Übertragbarkeit – Jede Neue Öffentliche Aktie gewährt eine Stimme in der Hauptversammlung der Gesellschaft. Die Neuen Öffentlichen Aktien sind voll dividendenberechtigt ab dem Tag ihrer Ausgabe. Die Neuen Öffentlichen Aktien sind gemäß den für dematerialisierte Aktien geltenden gesetzlichen Bestimmungen frei übertragbar, vorbehaltlich gewisser Lock-up-Verpflichtungen, die durch (ehemalige) BigRep Gesellschafter eingegangen worden sind. Die Neuen Öffentlichen Aktien und die Öffentlichen Aktien werden unter derselben ISIN gehandelt und werden fungibel sein.

Dividendenpolitik – Ungeachtet der Bestimmungen der Satzung der Gesellschaft (die „**Satzung**“) hat die Gesellschaft keine Dividendenpolitik. Die Gesellschaft beabsichtigt derzeit, alle verfügbaren Mittel und etwaige künftige Gewinne einzubehalten, um ihre operative Tätigkeit zu fördern und das Wachstum und die Entwicklung ihres Geschäfts zu finanzieren. Daher beabsichtigt die Gesellschaft momentan nicht, in absehbarer Zukunft Dividenden zu zahlen. Jede künftige Entscheidung darüber, Dividenden zu zahlen, wird in Übereinstimmung mit den geltenden Gesetzen erfolgen und wird unter anderem von der Ertrags- und Finanzlage des Unternehmens und seinen vertraglichen Beschränkungen sowie Kapitalanforderungen abhängen. Gemäß der Satzung, vorbehaltlich einer gewissen Bedingung und zwingender Bestimmungen des luxemburgischen Rechts, berechtigen Vorzugsaktien zu einer gewissen Vorzugsdividende, die nur zahlbar ist auf der Hauptversammlung der Gesellschaft, welche fünf Jahre nach Vollzug des Unternehmenszusammenschlusses abzuhalten ist.

C.2 – Wo werden die Wertpapiere gehandelt?

Die Neuen Öffentlichen Aktien werden voraussichtlich zum Handel im regulierten Markt an der Frankfurter Wertpapierbörse (General Standard) zugelassen.

C.3 – Welches sind die zentralen Risiken, die für die Wertpapiere spezifisch sind?

- Infolge (i) der Ausübung der Optionsscheine der Klasse A (die „**Öffentlichen Optionsscheine**“) gegen Öffentliche Aktien und (ii) der Rücknahme von 2.100.000 Vorzugsaktien gegen Ausgabe von 3.360.000 neuen Öffentlichen Aktien können Investoren in Öffentliche Aktien (die „**Öffentlichen Aktieninhaber**“) eine erhebliche Verwässerung der Stimmrechte in Höhe von bis zu 12 % erfahren (unter der Annahme, dass alle Öffentlichen Optionsscheine ausgeübt und 2.100.000 Vorzugsaktien gegen Ausgabe von 3.360.000 neuen Öffentlichen Aktien zurückgenommen werden).
- Wir werden Vorzugsaktien im Umlauf haben, deren Rechte und Vorzüge denen unserer Öffentlichen Aktien vorgehen.
- Es gibt keine Garantie dafür, dass sich nach dem Unternehmenszusammenschluss ein liquider Markt für die Neuen Öffentlichen Aktien entwickeln und aufrechterhalten wird.
- SMG Technology und BigRep sind bisher nicht als gemeinsames Unternehmen tätig. Die konsolidierten Pro-forma-Finanzinformationen lassen möglicherweise keine Rückschlüsse auf die Finanzlage oder das Betriebsergebnis von BigRep nach dem Unternehmenszusammenschluss zu. Dementsprechend haben Investoren nur begrenzte Finanzinformationen, auf deren Basis eine Investitionsentscheidung bewertet werden kann. Das Risiko wird dadurch erhöht, dass sowohl bei der SMG Technology Gruppe als auch bei der BigRep Gruppe von den jeweiligen Wirtschaftsprüfern Zweifel an der Fortführungsprognose des jeweiligen Unternehmens geäußert wurden.
- Der Börsengang eines Unternehmens im Wege eines Unternehmenszusammenschlusses mit einer Akquisitionszweckgesellschaft (*special purpose acquisition company*) unterscheidet sich von einem Börsengang im Wege eines auf Kommission gezeichneten Angebots und kann Risiken für mit diesem Prozess nicht vertraute Anleger mit sich bringen.

D – Basisinformationen über die Zulassung zum Handel

D.1 – Zu welchen Konditionen und nach welchem Zeitplan kann ich in dieses Wertpapier investieren?

Umfang des Angebots – Dieser Prospekt bezieht sich nicht auf ein Angebot von Aktien.

Zulassung zum Handel – Die Zulassung zum Handel der Neuen Öffentlichen Aktien wird voraussichtlich am oder um den 30. Juli 2024 erfolgen und der Handel mit den Neuen Öffentlichen Aktien wird voraussichtlich am oder um den 31. Juli 2024 beginnen. Die Neuen Öffentlichen Aktien werden an diesem Tag in die bestehende Notierung der Öffentlichen Aktien einbezogen.

Verwässerung – Nettovermögenswert je Aktie nach dem Unternehmenszusammenschluss: €(0,29); Gesamtverwässerung je Aktie nach Ausübung aller Öffentlichen Optionsscheine gegen Barzahlung zu € 7,00: € 0,84; Gesamtverwässerung je Aktie nach Rücknahme von 2.100.000 Vorzugsaktien gegen Ausgabe von 3.360.000 neuen Öffentlichen Aktien: € 0,23 (ohne Berücksichtigung der Ausübung Öffentlicher Optionsscheine).

Erwartete Gesamtkosten – Wir erwarten Gesamtkosten im Zusammenhang mit der Notierung der Neuen Öffentlichen Aktien von ungefähr € 5,1 Millionen.

Kosten, die Anlegern in Rechnung gestellt werden – Die Gesellschaft wird den Anlegern keine Gebühren in Rechnung stellen. Es werden nur die üblichen Transaktions- und Bearbeitungsgebühren von den Brokern der Anleger in Rechnung gestellt.

D.2 – Wer ist die die Zulassung zum Handel beantragende Person?

Zulassung zum Handel – Am 19. Juli, 2024, haben Baader Bank Aktiengesellschaft (LEI 529900JFOPPEDUR61H13), eine nach deutschem Recht inkorporierte und tätige Aktiengesellschaft mit Sitz in Unterschleißheim, Deutschland, eingetragen im Handelsregister des Amtsgerichts München unter HRB 121537 mit eingetragener Geschäftsanschrift in der Weihenstephaner Straße 4, 85716 Unterschleißheim, Deutschland und SMG Technology (umbenannt in BigRep SE), d.h., die Gesellschaft, die Zulassung der Neuen Öffentlichen Aktien zum Handel im regulierten Markt an der Frankfurter Wertpapierbörse (General Standard) beantragt.

D.3 – Weshalb wird dieser Prospekt erstellt?

Gründe für die Zulassung zum Handel – Dieser Prospekt bezieht sich auf die Zulassung von 12.375.418 Neuen Öffentlichen Aktien, jeweils mit einem rechnerischen Nennwert von € 0,0548, zum Handel im regulierten Markt an der Frankfurter Wertpapierbörse (General Standard) als Teil von (i) der Ausgabe von 8.625.418 Neuen Öffentlichen Aktien als Gegenleistung für den Erwerb aller Geschäftsanteile, welche von den BigRep Gesellschaftern an der BigRep gehalten werden aus einer Sachkapitalerhöhung in Höhe von € 472.649,32 unter Ausnutzung des genehmigten Kapitals nach der Satzung, die vom Vorstand am 26. Juli 2024 mit Zustimmung des Aufsichtsrats, handelnd durch seinen Delegierten, vom selben Tag beschlossen wurde (die „Gegenleistungs-Aktien“), und (ii) der Wandlung von 3.750.000 Aktien der Klasse B (die „Sponsoraktien“) auf einer Basis von eins-zu-eins in 3.750.000 Neue Öffentliche Aktien (die „Umwandlungs-Aktien“).

	<u>Anzahl der Aktien</u>
Gegenleistungs-Aktien	8.625.418
Umwandlungs-Aktien.....	3.750.000
Gesamt	<u>12.375.418</u>

Verwendung der Erlöse – Dieser Prospekt bezieht sich nicht auf ein Angebot von Aktien. Wir beabsichtigen, den Bruttoerlös, den wir durch den Unternehmenszusammenschluss erhalten, zur Deckung der mit dem Vollzug des Unternehmenszusammenschlusses verbundenen Gebühren und Kosten sowie zur Stärkung unseres Betriebskapitalpuffers und zur Stärkung unserer Bilanz sowie für Investitionen in unser Unternehmen zu verwenden.

Erwartete Netto-Emissionserlöse – Dieser Prospekt bezieht sich nicht auf ein Angebot von Aktien.

Wesentliche Interessenkonflikte – Der Sponsor und durch seine Beteiligung am Sponsor Dr. Stefan Petrikovics (CEO) haben aufgrund ihrer direkten oder indirekten Beteiligungen an SMG Technology einen wesentlichen Interessenkonflikt bezüglich des Vollzugs des Unternehmenszusammenschlusses, insbesondere aufgrund des Wertes der in Öffentliche Aktien umgewandelten Sponsoraktien zum Zeitpunkt des Vollzugs des Unternehmenszusammenschlusses verglichen mit ihrem Kaufpreis. Die Koehler Invest GmbH hat einen wesentlichen Interessenkonflikt bezüglich des Vollzugs des Unternehmenszusammenschlusses, insbesondere aufgrund der gleichzeitigen Beteiligung der Koehler Invest GmbH an SMG Technology und BigRep vor dem Vollzug des Unternehmenszusammenschlusses.

1. RISK FACTORS

An investment in newly issued class A shares (the “New Public Shares” and, together with all existing class A shares of SMG Technology Acceleration SE, the “Public Shares”, each share with an accounting par value of €0.0548 and International Securities Identification Number (“ISIN”) L□2859870326), of SMG Technology Acceleration SE (renamed to BigRep SE) as of the closing of the business combination between SMG Technology Acceleration SE (Legal Entity Identifier (“LEI”) 213800P9C9Q3F8MRXO87), a European company (Societas Europaea) existing under the laws of the Grand Duchy of Luxembourg (“Luxembourg”), having its registered office at 9, rue de Bitbourg, L-1273 Luxembourg, Luxembourg, and registered with the Luxembourg Trade and Companies Register (Registre de Commerce et des Sociétés de Luxembourg) under number B279346 (“SMG Technology” or the “Company” and, together with its consolidated subsidiaries, the “SMG Technology Group”), and BigRep GmbH (LEI 391200J99KJ54GWXBQ31), a limited liability company (Gesellschaft mit beschränkter Haftung) incorporated under the laws of the Federal Republic of Germany (“Germany”) and registered with the commercial register (Handelsregister) of the local court (Amtsgericht) of Charlottenburg under HRB 155360 B, with its registered office at Gneisenaustraße 66, 10961 Berlin, Germany (“BigRep” and, together with SMG Technology Group, “we”, “us”, “our”, “ourselves” or the “Group”), is subject to risks. In addition to the other information contained in this prospectus (the “Prospectus”), investors should carefully consider the following risks when deciding whether to invest in the Public Shares. The market price of the Public Shares could decline if any of these risks were to materialize, in which case investors could lose some or all of their investment.

The following risks, alone or together with additional risks and uncertainties not currently known to the Company, or that the Company might currently deem immaterial, could have a material adverse effect on our future business, financial condition, cash flows, results of operations and prospects. The risk factors featured in this Prospectus are limited to risks which are specific to the Company and the Public Shares and which are material for taking an informed investment decision. The materiality of the risk factors has been assessed based on the probability of their occurrence and the expected magnitude of their negative impact. The risk factors are presented in categories depending on their nature. In each category the two most material risk factors are mentioned first according to the assessment based on the probability of its occurrence and the expected magnitude of its negative impact. The risks mentioned may materialize individually or cumulatively.

For purposes of this Section 1, unless indicated otherwise, references to “we”, “us”, “our” our “ourselves”, to the extent they concern any period prior to the consummation of the business combination between SMG Technology and BigRep (the “Business Combination”), refer to BigRep.

1.1 Risks Related to BigRep’s Market

1.1.1 *The markets in which we participate are competitive. Our failure to compete successfully could cause our revenues and the demand for our products to decline.*

We compete with a wide variety of producers of systems that create 3D printed models, prototypes, manufacturing aids and end-use parts, as well as producers of materials, software and services for these systems, including both additive and subtractive manufacturing methodologies, such as metal extrusion, computer-controlled machining and manual modeling techniques. Our principal competition currently consists of other manufacturers of systems for prototype development and additive manufacturing (“AM”) processes. We may face additional competition in the future from other new entrants into the marketplace, including companies that may have significantly greater resources than we have that may become new market entrants or may enter through acquisition or strategic or marketing partnerships with current competitors.

Some of our current and potential competitors have longer operating histories and more extensive name recognition than we have and may also have greater financial, marketing, manufacturing, distribution and other resources than we have. Current and future competitors may be able to respond more quickly to new or emerging technologies and changes in end-user demands and devote greater resources to the development, promotion and sale of their products than we can. Our current and potential competitors may develop and market new technologies that render our existing or future products obsolete, unmarketable or less competitive (whether from a price perspective or otherwise). We cannot assure that we will be able to maintain or enhance our current competitive position or continue to compete successfully against current and future sources of competition.

1.1.2 Our success and future growth is dependent upon the market's willingness to adopt AM technology.

The marketplace for industrial manufacturing is still dominated by conventional manufacturing methods that do not involve AM technology. We see significant growth potential in industrial applications of AM in prototyping and direct build part manufacturing (direct manufacturing). However, we may not be able to develop effective strategies to raise awareness among potential customers of the benefits of our AM technology, or we may fail to develop further systems that are better suited for direct manufacturing processes. In particular, our systems may fail to provide the robustness and reliability that industrial customers expect. We expect the adoption of AM technology by industrial customers as an alternative to traditional manufacturing technologies to be a key growth driver of our business. However, if AM does not gain market acceptance as such an alternative, if industrial customers are, for some reason, unwilling to alter their production, if the adoption of AM in industrial production environments takes longer than anticipated by us, or if the end markets adopt AM based on a technology other than our technology, we may not be able to increase or sustain the level of sales of our products.

1.1.3 The AM industry in which we operate is characterized by rapid technological change, which requires us to continue developing new products and innovations to meet constantly evolving customer demands and which could adversely affect market adoption of our products.

Our revenues are derived from the sale of our products, related parts and services. The AM industry is subject to rapid technological change, and we have and will continue to encounter challenges experienced by growing in a market subject to rapid innovation and technological change. While we intend to invest significant resources to remain at the forefront of technological developments, the changes in our customers' requirements and preferences, continuing advances in AM technology, and the emergence of new standards, regulations and certifications could adversely affect our products and their adoption. Our ability to compete in the rapidly developing market depends, in large part, on our success in developing and introducing new AM systems and technologies, in addition to improving our existing products and technology and qualifying new materials that our systems can support. While we believe that we must continuously enhance and expand the functionality and features of our product for them to remain competitive, we may not be able to:

- adequately protect our intellectual property as we develop new products and technologies;
- ensure sufficient cash resources to fund research and development;
- enhance our existing products and technologies;
- identify the appropriate technology or product to which to devote our resources; or
- develop cost-effective new products and technologies that address the increasingly complex needs of prospective customers.

Even if we successfully introduce new AM products and technologies and enhance our existing products and technologies, it is possible that these will eventually supplant our existing products or that our competitors will develop new products and technologies that will replace our own. As a result, any of our products may be rendered obsolete or uneconomical by our or our competitors' technological advances, leading to a loss in market share, a decline in revenue and adverse effects on our business and prospects.

1.1.4 Economic and geopolitical conditions in Germany, Europe and the United States, especially in the industries from which we generate most of our revenue, could adversely affect our business, results of operations, financial condition and prospects.

We are a company specializing in distributed AM. In 2023, we generated revenues in the amount of €11.229 million world-wide.

Our results of operations may vary based on the impact of changes in the German, European, Asian and U.S. economies and the political environment on us and our customers. Our solutions find customers in a multitude of different industry segments, however, a substantial portion of our current and potential future customers are concentrated in the automotive, aerospace and manufacturing industries as well as education. Some of these industries, and some of our customers within these industries, had to increase the prices they charge to consumers due to the worsening of the economic conditions in Germany, Europe and the United States.

At the same time, interest rates were increased significantly by the United States Federal Reserve, the European Central Bank and other major central banks.

Any of the foregoing may result in decreased consumer spending, investments and revenues of our customers in these industries, as well as an increase in the cost of business. Our business growth largely depends on continued demand for our solutions and services from customers in these industries and other industries we may target, such as defense and medical. If the current inflationary tendencies persist, global economic conditions worsen or a negative or uncertain political climate develops, such as following the increased tensions between the United States and China, our customers may reduce or postpone their spending significantly, and pricing for products and services may be depressed, which may lower the demand for our products and services and have an adverse effect on our revenues and harm our path to profitability.

1.1.5 The war in Ukraine and the impact of sanctions on Russia might have negative consequences for our business and our customer's businesses.

In February 2022, Russia launched an invasion of Ukraine. Noticeable impacts have been upward pressure on energy prices and inflation, an increased policy focus on energy security and reduced reliance on Russian energy imports. Increased electricity prices raised our operating expenses in general and our cost of production in particular since the production of metal parts and electronics require a certain amount of electricity to power our assembly facilities. A prolongation of the war and the sanctions may lead to a continuous increase in our operating expenses and our cost of production.

The war in Ukraine has prompted the European Union, the United States and numerous other countries to impose sanctions on a wide range of Russian state and corporate entities and individuals, including related sanctions that have adversely impacted and will likely continue to adversely impact global supply chains. Such adverse impacts include supply chain bottlenecks and shortages of raw materials, parts and components relevant to our and our customers' businesses, including the production of semiconductors that are sourced from Russia (such as aluminum, copper, steel and palladium products), or which are typically transported through locations which have been impacted by the war (such as neon products), as well as price volatility.

Further, the significant sanctions imposed by Germany, the European Union and the United Kingdom against Russia might continuously have a negative impact on Germany's economy, which could harm our and our customers' businesses. Such effects may continuously include higher inflation, higher interest rates, declining access to credit, declining availability of insurance, lower or stagnating wages, increasing unemployment, weakness in real estate markets, changes in regulatory, fiscal or tax policies, removal of subsidies, reduced public spending, initiatives to address climate change, increases in fuel prices, weakness in energy markets or a loss of consumer confidence that may have, in the end, an adverse effect on our revenues and results of operations.

1.1.6 Rising tensions in the Middle East as a result of the armed conflict between Israel and Hamas could impact our business, results of operations, and financial condition.

The terror attacks by Hamas on Israel, and any escalation of this conflict, as well as any future armed conflicts, terrorist activities, including recent attacks of the Houthi rebels that have led to disruptions in international shipping traffic, tension along the Israeli borders or with other countries in the region, including Iran, or political instability in the region could disrupt international trading activities. In response to the conflict in Gaza, since mid-November 2023, Houthi rebels in Yemen have targeted and carried out attacks on commercial shipping vessels travelling through the Red Sea which may result in further disruptions in supply chains. Any of these developments may materially and negatively affect our customers' businesses and financial condition and in turn, this could impact our business and could harm our results of operations, and financial condition.

1.1.7 The presidential election in the United States in 2024 could lead to a President of the United States with a more restrictive trade policy, including tariffs on imported goods. This might have negative consequences for our business and our customers' businesses.

On November 5, 2024, the presidential election in the United States will take place. Former President of the United States, Donald Trump, declared his candidacy on November 15, 2022, and suggested introducing a universal baseline tariff of 10% on virtually all imports to the United States that would automatically apply to all countries if he won the presidential election. A significant amount of our revenue is generated through a few key customers in the United States. A universal baseline tariff of 10 % might increase the prices of our products for our U.S. customers prices and might, therefore, have negative consequences for our sales business as a whole, our revenues and results of operations.

1.2 Risks Related to BigRep's Business

1.2.1 *We are an early stage company with a history of significant losses, expect to incur significant costs and expenses as well as continuing losses for the foreseeable future and depend on the contemplated transaction and other external financing to continue our operations. There is no guarantee that we will be able to successfully grow and operate our business and achieve profitability in the future. In addition, our auditor has raised doubts whether we can continue operating as a going concern.*

We are still at an early stage with our operations and BigRep has incurred significant losses in the amount of €5.264 million in the fiscal year ended December 31, 2022 and €7.455 million in the fiscal year ended December 31, 2023. We depend on the success of the contemplated transaction and other external financing to continue our operations. Our auditor has therefore raised doubts whether we will be able to continue as a going concern. We believe that we will continue to incur operating and net losses each quarter until we reach our break-even. We currently aim to achieve our break-even at the end of 2025 leading to a planned consolidated profit for the year 2026. If we do not obtain sufficient financing until then, there is a significant risk that we will not be able to continue as a going concern.

A significantly negative deviation from our business plan, including with respect to the benefits of the acquisition of HAGE3D GmbH ("HAGE3D"), or the failure to achieve the targeted inflows from the contemplated transaction could lead to a need for additional financial resources in the foreseeable future. Should it not be possible to cover these additional financial requirements, this could have a material adverse effect on the Company and its ability to continue as a going concern. In this respect, the Company and consequently its consolidated subsidiaries' existence may be at substantial risk.

1.2.2 *We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.*

Our ability to make scheduled payments on, or to refinance, our debt obligations depends on our financial condition and results of operations, which in turn are subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness. Our ability to restructure or refinance our debt will depend on, among other things, the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations.

BigRep has incurred shareholder loans in the total principal amount of €9.29 million and is obligated to repay five of these shareholder loans in the total principal amount of €1.8 million until the earlier of (i) the date of the consummation of the Business Combination or (ii) November 15, 2024. The remaining shareholder loans (i) in the total principal amount of €1.3 million have a fixed term until June 30, 2025 and (ii) in the total principal amount of €6.19 million have a fixed term until December 31, 2025. In accordance with the Business Combination Agreement, the Company will ensure that BigRep is able to repay the shareholder loans when they fall due. Any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis could have a material adverse effect on us, our assets, liquidity, and again our ability to continue as a going concern.

1.2.3 *We depend on external capital, such as shareholder loans and convertible bonds, to support our business growth, and this capital might not be available on acceptable terms, if at all. If we fail to implement additional measures to secure capital and liquidity, this could pose an existential risk to us.*

In the past, we have been primarily financed by shareholder loans and convertible bonds. In the future, our growth may require additional capital. We will also need additional capital to extend our geographic reach and increase the penetration of the markets in which we are already active. We may require periodic injections of capital in order to continue to run our business, serve our debt and realize our growth plans. Any deterioration in the performance, prospects or perceived value of our business may have a material adverse effect on our share price and valuation. Such a development would make it more difficult and substantially more expensive to obtain financing and could trigger additional capital requirements. Any liquidity concerns encountered by us or any of our businesses may require us to curtail or abandon our growth strategy. We cannot assure that we will be able to obtain additional financing at favorable terms, or at all, in order to satisfy our need for capital. If we need capital

and are unable to raise it, we may be required to take additional steps, such as borrowing money on unfavorable terms in order to raise capital, which could limit our growth and results of operations.

1.2.4 If demand for our products and services, or in the 3D printing market generally, does not grow as expected, our revenues may stagnate or decline, and our profitability may be adversely affected.

The commercial marketplace for prototyping and manufacturing, which was once dominated by conventional production technologies, is gradually adopting AM as a new production technology. This is true with respect to prototype development and, to a growing extent, with respect to direct manufacturing as an alternative to traditional manufacturing. If the commercial marketplace does not continue to transform towards the broader acceptance of 3D printing and direct manufacturing as alternatives for prototype development and traditional manufacturing, or if it adopts 3D printing based on technologies other than the technologies that we use, we may not be able to increase or sustain current or future levels of sales of our products and related materials and services, and our results of operations may be adversely affected as a result.

1.2.5 To the extent that other companies are successful in developing or marketing consumables for use in our systems, our revenues and profits would likely be adversely affected.

We sell a substantial portion of the consumables used in our systems, such as filaments and spare parts. We attempt to protect against replication of our proprietary consumables through patents and trade secrets and state that warranties on those systems may be invalid if customers use non-genuine consumables. Other companies have developed and sold and may continue to develop and sell consumables that are used with our systems, which may reduce our consumables sales and impair our overall revenues and profitability.

1.2.6 If we are unable to anticipate consumer preferences and successfully develop and introduce new, innovative and updated products, we may not be able to maintain or increase our net revenues and profitability.

Our success depends on our ability to identify and originate product trends as well as to anticipate and react to changing consumer demands in a timely manner. All of our products are subject to changing consumer preferences that cannot be predicted with certainty. New products may not receive consumer acceptance as consumer preferences could shift rapidly to different types of AM products or away from these types of products altogether, and our future success depends in part on our ability to anticipate and respond to these changes. Failure to anticipate and respond in a timely manner to changing consumer preferences could lead to, among other things, lower revenue and excess inventory levels, which could have a material adverse effect on our financial condition.

1.2.7 We may not be able to introduce new 3D printers, high-performance systems and consumables acceptable to customers or to improve the technology, software or consumables used in our current systems in response to changing technology and end-user needs.

We derive most of our revenues from the sale of AM systems and related consumables. The markets in which we operate are subject to rapid and substantial innovation and technological change, mainly driven by technological advances and end-user requirements and preferences, as well as the emergence of new standards and practices. Our ability to compete in these markets depends, in large part, on our success in enhancing our existing products and developing new AM systems and new consumables that will address the increasingly sophisticated and varied needs of prospective end-users and respond to technological advances and industry standards and practices on a cost-effective and timely basis or otherwise gain market acceptance.

1.2.8 Our results of operations could be materially harmed if we are unable to forecast demand for our solutions accurately.

To ensure adequate inventory supply, we must forecast inventory needs and place orders with our manufacturers before firm orders are placed by our customers and resellers. Given that the sale cycle of our solutions can take over 12 months to complete, if we fail to accurately forecast the demand for our solutions, we may experience excess inventory levels or a shortage of products to deliver to our customers and distributors.

Inventory levels in excess of customer and distributor demands may result in inventory write-downs or write-offs and the sale of excess inventory at discounted prices, which would have an adverse effect on our gross margin. In addition, if we underestimate the demand for our products, our manufacturers may not be able to produce a sufficient number of products to meet such unanticipated demand, and this could result in delays in the shipment of our products and damage to our relationship with our customers and distributors.

1.2.9 *If demand for our solutions does not grow as expected, or if market adoption of AM does not continue to develop or develops slower than expected, our revenues may stagnate or decline, and our business may be adversely affected.*

We believe that the industrial market is undergoing a shift from conventional manufacturing processes that do not involve 3D printing technology towards a broader adoption of AM. We may not be able to develop effective strategies to raise awareness among potential customers of the benefits of AM technologies, or our products may not address the specific needs or functionality required by certain potential customers to encourage the continuation of this shift towards AM. If AM technology does not continue to gain broader market acceptance as an alternative to conventional manufacturing processes, we may not be able to increase or sustain the level of sales of our products, and our operating results would be adversely affected by a result.

1.2.10 *If the availability of direct materials (purchased goods, raw materials, packaging, sourced products, energy) decreases, or these costs increase, and we are unable to either offset or pass along increased costs to our customers, our financial condition, liquidity or results of operations have been and could continue to be adversely affected.*

The availability and cost of direct materials, including purchased goods, such raw materials, packaging materials, components, energy, and other sourced products, are critical to our operations. The cost of some of these items has been volatile in recent years, and availability has been limited at times. We source our printer systems and some materials from a limited number of suppliers, which, among other things, increases the risk of unavailability. The prices of raw materials may be affected by international trade costs such as tariffs, transportation and foreign exchange rates, or international pandemics, as well as geopolitical issues, including the war in Ukraine. This dependency and any limited availability could cause us to reformulate products or limit our production. Decreased access to direct materials and energy or significantly increased cost to purchase these items, as well as increased transportation and trade costs and any corresponding inability to pass along such costs through price increases or meet demand requirements, as applicable, have had and could continue to have a material adverse effect on our financial condition, liquidity or results of operations.

1.2.11 *Fluctuations in production costs and availability due to inflationary pressures and other factors could negatively impact our business and results of operations.*

Our production costs are affected, in part, by the costs of component materials. While we do not believe that inflation has had, or currently has, a material effect on our business, it could negatively impact our business and results of operations in the future. A substantial increase in the prices of raw materials or decrease in the availability of raw materials could substantially increase the costs associated with manufacturing the equipment that we purchase from our vendors, which could cause the price of our 3D printers and supplements to increase and could have a negative impact on our revenue and profitability. In addition, increases in raw materials and production costs generally could also adversely affect our results of operations. If we increase the prices of our 3D printers in order to maintain gross margins for our products — what we intend to do if our production costs increase —, such increase may adversely affect demand for, and revenue of, our 3D printers, which could have a material adverse effect on our financial condition and results of operations.

1.2.12 *We have significant levels of sales in certain channels of distribution, and a reduction in sales through these channels could adversely affect our business.*

With our hybrid sales model of direct sales through our own sales force and e-shop as well as our broad network of global resellers, we have, by our own estimate, the ability to offer industrial, large-format 3D printing solutions for a very broad range of applications such as rapid prototyping, manufacturing tooling such as jigs and fixtures, forms and molds, as well as end- and spare-part production to a broad customer base globally.

The loss of key distribution partners could lead to a decline in sales in the region or product area covered by the distribution partner. Finally, the inability to operate our e-shop due to cyberattacks or other technical difficulties could significantly affect our revenues.

1.2.13 *Currency exchange rate fluctuations could have material adverse effects on our financial results.*

Our functional currency is the Euro, but we also generate revenues and incur expenses in other currencies, including the U.S. Dollar and the Singapore Dollar. We are therefore exposed to exchange rate fluctuations as we receive currencies for our products and services, which are then converted into the currencies required to pay our obligations. As we expand our operations to new markets, our exposure to fluctuations in these currencies may

increase, and we may incur expenses in other currencies. Where possible, we try to minimize the impact of exchange rate fluctuations by transacting in local currencies so as to create natural hedges. There can be no assurance that we will be successful in protecting against these risks. Furthermore, we do not hedge any of our foreign currency exposures, and even if we did, there is no assurance that our hedging strategy would be successful or that the hedging markets would have sufficient liquidity or depth for us to implement our strategy in a cost-effective manner. In addition, in some countries, we are subject to legal restrictions on hedging activities, as well as convertibility of currencies, which could limit our ability to use the cash generated in one country to invest in another, which could limit our ability to hedge our exposures. The materialization of any of these risks may adversely impact our revenues, cash flows and earnings.

As our consolidated financial statements are expressed in Euro, we translate income and expenses into euro. However, our income and expenses are denominated in a variety of currencies. As a result, we are also exposed to translational risks from exchange rate fluctuations, as our income and expenses are reported in the relevant local currency and then translated at the applicable currency exchange rate into euro. Our consolidated financial statements are therefore subject to fluctuations in exchange rates used for the translation of financial information of our businesses whose operational currencies are not the euro. Such translation could lead to significant changes in our reported financial results from period to period.

1.2.14 We may be exposed to litigation, claims and other legal proceedings in the ordinary course of business relating to our products or business, which could have a material adverse effect on our business, results of operations and financial condition.

In the ordinary course of business, we may be subject to a variety of work-related and product-related claims, lawsuits and legal proceedings, including those relating to product liability, product warranty, product recall, personal injury, and other matters that are inherently subject to many uncertainties regarding the possibility of a loss to our business. Such matters could have a material adverse effect on our business, results of operations and financial condition if we are unable to successfully defend against or resolve these matters or if our insurance coverage is insufficient to satisfy any judgments against us or settlements relating to these matters. Although we have product liability insurance, the policies may not provide coverage for certain claims against us or may not be sufficient to cover all possible liabilities. Further, we may not be able to maintain insurance at commercially acceptable premium levels. Additionally, adverse publicity arising from claims made against us, even if the claims are not successful, could adversely affect our reputation or the reputation and sales of our products.

1.2.15 Defects in new products or enhancements to our existing products could give rise to product returns or product liability, warranty or other claims that could result in material expenses, diversion of management time and attention, and damage to our reputation.

We sell complex hardware and software products, materials and services that can contain undetected design and manufacturing defects or errors when first introduced or as enhancements are released that, despite testing, are not discovered until after the product has been installed and used by customers. Sophisticated software and applications, such as those sold by us, may contain “bugs” that can unexpectedly interfere with the software’s intended operation. Defects may also occur in components and products we purchase from third parties. There can be no assurance we will be able to detect and fix all defects in the hardware, software, materials and services we sell. These defects or errors could result in significant warranty, support, repair or replacement costs, causing us to lose market share and diverting the attention of our engineering personnel from our product development efforts to find and correct the issue.

In addition, we may be subject to claims that our 3D printers have been, or may be, used to create parts that are not in compliance with legal requirements or that intellectual property infringes the intellectual property rights of others.

Any claim brought against us, regardless of its merit, could result in material expense, diversion of management time and attention, and damage to our reputation, and could cause us to fail to retain existing end-users or to attract new end-users. Although we maintain product liability insurance, such insurance is subject to deductibles, and there is no guarantee that such insurance will be available or adequate to protect against all such claims, or we may elect to self-insure with respect to certain matters. Costs or payments made in connection with warranty and product liability claims and product recalls or other claims could materially affect our financial condition and results of operations.

1.2.16 *We could face liability if our AM solutions are used by our customers to print dangerous objects.*

Customers may use our products to manufacture parts or objects that could be used in harmful ways or be otherwise dangerous. For example, there have been news reports that 3D printers were used to print guns or other weapons. While we have never manufactured guns or other weapons, we have little, if any, control over what end parts our customers manufacture using our products, and it may be difficult, if not impossible, for us to monitor and prevent customers from manufacturing dangerous objects. There can be no assurance that we will not be held liable if someone were injured or killed by a weapon or other dangerous object manufactured by a customer using one of our products. Furthermore, association with such an incident could harm our brand name and adversely affect our business.

1.2.17 *If our product mix shifts too far into lower margin products or our revenue mix shifts significantly towards our hardware business, our profitability could be reduced.*

Sales of certain of our existing products have higher margins than others. If sales of our lower margin products have the effect of reducing sales of our higher margin products, or if for any other reason, our product mix shifts too far into lower margin products, and we are not able to sufficiently reduce the engineering, production and other costs associated with those products or substantially increase the sales of those products, our profitability could be reduced. A similar negative impact on our gross margins could result from a significant shift from revenues generated by our lifetime value products, including filaments, spare parts, and services, towards revenues generated by our hardware business, which is characterized by lower margins relative to our lifetime value products.

1.2.18 *Potential sales of end-use parts to customers in the automotive and aerospace industries, and of 3D printing systems to customers in these industries, carry with them a greater potential for liability claims against us.*

In the case of end-use parts, potential future sales to customers in the automotive and aerospace industries, in particular, may make us more susceptible to product and other liability claims, which characterize operations in those industries. Sales of our 3D printing systems to customers in the automotive and aerospace industry similarly carry with them potential liability claims, if the parts produced by those systems do not function properly. Any such claims that are not adequately covered by insurance or for which insurance is not available may adversely affect our results of operations and financial condition.

1.2.19 *We depend on a limited number of suppliers for a substantial portion of all of our supply needs, and any delay, disruption or quality control problems in their operations could cause harm to our operations, including loss of market share and damage to our brand.*

We depend on a limited number of suppliers for our printers, extruders, hot-ends and filaments. In 2023, our top five suppliers provided for more than 75% of our material expenses and purchased services. Our reliance on a limited number of suppliers involves a number of risks, including:

- unexpected increases in manufacturing and repair costs;
- inability to control the quality and reliability of products;
- inability to control delivery schedules;
- potential lack of adequate capacity to supply all or a part of the products we require;
- potential labor unrest affecting the ability of the suppliers to produce our products; and
- unexpected component or process obsolescence, making key components unavailable.

If any of our suppliers experience a delay, disruption or quality control problems in their operations, including due to pandemics and global supply chain disruptions, or if a supplier does not renew its agreement with us, our operations could be significantly disrupted, and our product shipments could be delayed. Qualifying a new supplier and commencing volume production is expensive and time-consuming. In addition, there is no assurance that a supplier can scale its production of our products at the volumes and in the quality that we require. If a supplier is unable to do these things, we may have to move production for the products to a new or existing supplier, which would take significant effort, and our brand, business, results of operations and financial condition could be materially adversely affected. Finally, if a supplier producing a highly specified product changes its

materials or is unable to meet our production demands, it could lead to specification changes, increased lead time or cancellation of the product.

As we contemplate adding manufacturing capabilities in other jurisdictions, we may be subject to additional significant challenges in ensuring that quality, processes, and costs, among other issues, are consistent with our expectations.

In addition, because we use a limited number of suppliers, increases in the prices charged may have an adverse effect on our operational results, as we may be unable to find suppliers who can supply us at a lower price. As a result, the loss of a limited source supplier could adversely affect our relationships with our customers, our operational results and financial condition.

All of our products must satisfy safety and regulatory standards. We rely on third-party providers to conduct some of the tests that support our applications for certain regulatory approvals for our products. In some cases, our suppliers are subject to audit and must receive approvals. Failure to meet applicable standards by our suppliers could adversely impact our business. Moreover, if our suppliers fail to timely and accurately conduct the tests supporting our applications for regulatory approvals, we may be unable to obtain the necessary domestic or foreign regulatory approvals or certifications to sell our products in certain jurisdictions. As a result, we would be unable to sell our products, our revenue and profitability could be reduced, our relationships with our sales channel could be harmed, and our reputation and brand would suffer.

1.2.20 We depend on our broad global network of resellers, and if we fail to maintain successful relationships, or if they fail to perform, our ability to market, sell and distribute our products will be limited, and our business, financial position and results of operations will be harmed.

We rely heavily on our broad global network of resellers to sell our products and to provide installation and support services to customers in their respective geographic regions. In the year ended December 31, 2023, resellers generated 57% of our revenue. These resellers may not be as effective in selling our products or installing and supporting our customers as we expect. Moreover, a reseller may misrepresent the capabilities of our products without our knowledge, either intentionally or unintentionally, due to the inherent complexity of our products. Further, our resellers can terminate their contracts with us, and if our contracts with a significant number of resellers, or with the most effective resellers, were to terminate or if they would otherwise fail or refuse to sell certain of our products, we may not be able to find replacements that are as qualified or as successful in a timely manner, if at all.

Recruiting and retaining qualified resellers and training them in our technologies requires significant time and resources. These resellers may also market, sell and support other technologies in unrelated markets and may devote more resources to the marketing, sales and support of such products.

In addition, if our resellers do not perform as anticipated or if we are unable to secure qualified and successful resellers, our sales will suffer, which would have an adverse effect on our revenues and operating results. Because we also depend upon our resellers to provide installation and support services for our products, if our reseller relationships were terminated or limited to certain products, we may face the need to increase our own support personnel to provide support for our customers, delays or inability to do so quickly would adversely affect our brand, reputation and our results of operations. Any failure to offer high-quality technical support services may adversely affect our relationships with our customers and adversely affect our financial results and brand.

Further, we require that our resellers adhere to all local laws and regulations, but it is possible that a reseller could violate such laws or regulations, which could adversely impact our business, reputation, financial results and brand. Our indirect sales and distribution model could subject us to lawsuits, potential liability, and brand and reputational harm if, for example, any of our resellers misrepresent the functionality of our products to customers or violate laws or our corporate policies.

1.2.21 Our business model is predicated in part on building a customer base that will generate a recurring stream of revenues through the sale of our consumables and service contracts. If that recurring stream of revenues does not develop as expected, or if our business model changes as the industry evolves, our operating results may be adversely affected.

Our business model is dependent in part on our ability to maintain and increase sales of our proprietary consumables and service contracts as they generate recurring revenues. Existing and future customers of our

systems may not purchase our consumables or related service contracts at the same rate at which end-users currently purchase those consumables and services. If our current and future customers purchase a lower volume of our consumables or service contracts, our recurring revenue stream relative to our total revenues would be reduced, and our operating results would be adversely affected.

1.2.22 Significant disruptions of our information technology systems or breaches of our data security could adversely affect our business.

A significant invasion, interruption, destruction or breakdown of our information technology (“IT”), systems and/or infrastructure by persons with authorized or unauthorized access could negatively impact our business and operations. We could also experience a business interruption, information theft and/or reputational damage from cyber-attacks, which may compromise our systems and lead to data leakage either internally or at our third-party providers. Both data that has been inputted into our main IT platform, which covers records of transactions, financial data and other data reflected in our results of operations, as well as data related to our proprietary rights (such as research and development and other intellectual property-related data), are subject to material cyber security risks. Our IT systems have been, and are expected to continue to be, the target of malware and other cyber-attacks. To date, we are not aware that we have experienced any loss of, or disruption to, material information as a result of any such malware or cyber-attack.

We have invested in advanced protective systems to reduce these risks, some of which have been installed, and others that are still in the process of installation. Based on the information provided to us by the suppliers of our protective systems, we believe that our level of protection is in keeping with the customary practices of peer technology companies. We also maintain backup files for much of our information as a means of assuring that a breach or cyber-attack does not necessarily cause the loss of that information. Furthermore, we review our protections and remedial measures periodically in order to ensure that they are adequate.

Despite these protective systems and remedial measures, techniques used to obtain unauthorized access are constantly changing, are becoming increasingly more sophisticated, and often are not recognized until after an exploitation of information has occurred. We may be unable to anticipate these techniques or implement sufficient preventative measures, and we, therefore, cannot assure you that our preventative measures will be successful in preventing compromise and/or disruption of our information technology systems and related data. Furthermore, we cannot be certain that our remedial measures will fully mitigate the adverse financial consequences of any cyberattack or incident.

1.2.23 Sales processes for sophisticated solutions and broad solution portfolios like ours are long, uncertain and present significant challenges.

We offer our customers sophisticated solutions, and these may represent a significant investment for our customers. As a result, our sales cycles can range from several weeks to well over a year. As the length or complexity of a sales process increases, so does the risk of successfully closing the sale. Customers may also require education on the value and functionality of our solutions as part of the sales process, further extending the period and uncertainty of the process.

1.2.24 Our operations could suffer if we are unable to attract and retain key management or other key employees in the German market or other markets in which we operate where competition for highly skilled technical and other personnel is intense.

Our success depends upon the continued service and performance of our senior management and other key personnel. Our executive team is critical to the management of our business and operations, as well as to the development of our strategy. The loss of the services of any members of our senior executive team could delay or prevent the successful implementation of our strategy or our commercialization of new applications for our systems or other products or could otherwise adversely affect our ability to manage our Company effectively and carry out our business plan. There is no assurance that if we need to fill additional management positions in the future, we will be able to do so rapidly, without any adverse impact on our operations.

Our dependence on key employees extends beyond our senior executive team to our highly skilled scientific, technical (including software) and sales personnel. Our principal research and development, as well as significant elements of our general and administrative activities, are conducted at our headquarters in Berlin, Germany, and we face significant competition for suitably skilled employees in Germany. There has been intense competition for qualified human resources in the German high-tech industry historically (including the AM industry in which we operate). As a result, the high-tech industry in Germany has experienced significant levels

of employee attrition and is currently facing a severe shortage of skilled human capital, including engineering, research and development, software, sales and customer support personnel. Similar shortages of key personnel also exist in the regions surrounding our application centers located in the United States and Singapore. Companies with which we compete for qualified personnel may have greater resources than we do, and we may not succeed in recruiting additional experienced or professional personnel, retaining personnel or effectively replacing current personnel who may depart with qualified or effective successors. If we cannot attract and retain sufficiently qualified technical employees for our research and development and/or product development activities (including for the software in our products), we may be unable to achieve the synergies expected from mergers and acquisitions that we may effect from time to time or to develop and commercialize new products or new applications for existing products.

In addition, as a result of the intense competition for qualified human resources, the German high-tech and other high-tech markets have also experienced and may continue to experience significant wage inflation. Accordingly, our efforts to attract, retain, and develop personnel may also result in significant additional expenses, which could adversely affect our profitability.

It may be difficult for us to restrict our competitors from benefiting from the expertise our former employees developed while working for us. In light of the foregoing, there can be no assurance that qualified employees will remain in our employ or that we will be able to attract and retain qualified personnel in the future. Failure to retain or attract qualified personnel could have a material adverse effect on our business, financial condition and results of operations.

1.2.25 As part of our growth strategy, we have sought and will continue to seek to acquire or make investments in other businesses, patents, technologies, products or services. Our failure to do so successfully (including, if applicable, to finance such acquisitions or investments on favorable terms, to avoid adverse financial consequences, and to realize expected results from such acquisitions or investments) may adversely affect our financial results.

As part of our growth strategy, which is focused on industrial AM systems based on fused filament fabrication (“FFF”) technology, we expect to continue to evaluate acquisitions or investments regularly to expand our suite of products and services. Even if we are able to identify a suitable acquisition or investment, we may not be able to consummate any such transaction if we cannot reach an agreement on favorable terms or if we lack sufficient resources to finance the transaction on our own and cannot obtain financing at a reasonable cost or if regulatory authorities prevent such transaction from being consummated. If we proceed with a particular acquisition or investment, we may have to use cash, issue new equity securities with dilutive effects on existing shareholders, incur indebtedness, assume contingent liabilities or amortize assets or expenses in a manner that might have a material adverse effect on our financial condition, results of operations or liquidity. Acquisitions will also require us to record certain acquisition-related costs and other items as current-period expenses, which would have the effect of reducing our reported earnings in the period in which an acquisition is consummated. In addition, we could also face unknown liabilities or write-offs due to our acquisitions and investments, which could result in a significant charge to our earnings in the period in which they occur. We will also be required to record goodwill or other long-lived asset impairment charges (if any) in the periods in which they occur, which could result in a significant charge to our earnings in any such period. If an acquired entity or investment does not perform as projected and in accordance with our expectations and is not accretive to our earnings, it may adversely impact our overall results of operations and be detrimental to our business.

1.3 Risks Related to BigRep’s Acquisition of HAGE3D

1.3.1 Our contemplated results and benefits from the acquisition of HAGE3D may not be met and the expected business development may not be achieved or envisaged transaction costs incurred by us may turn out to be higher than originally anticipated.

On November 3, 2023, BigRep signed a share contribution agreement (the “**HAGE3D Acquisition Agreement**”) with HAGE Holding GmbH, a limited liability company incorporated under the laws of Austria (“**HAGE Holding**”), under which HAGE Holding has contributed all shares in HAGE3D immediately prior to the consummation of the Business Combination. As consideration for the contribution of the shares in HAGE3D, BigRep has issued shares in itself indirectly to HAGE Holding, which were transferred as part of the consummation of the Business Combination. We consider this acquisition to be a landmark in our growth path and expect a substantial further growth of BigRep’s business. We expect considerable growth on the basis of the integration of HAGE3D.

However, we cannot exclude that these benefits may not be realized, or that they may be realized only in part or at a later date. The business development of HAGE3D depends on various factors and could be different from our internal projections. In addition, HAGE3D made a net loss of €180,926 in its last fiscal year ending March 31, 2023 and has an equity of negative €749,807. HAGE3D could continue to make substantial losses and could therefore be a burden to our financial position in the future.

Above that, envisaged transaction costs incurred by us may turn out to be higher than originally anticipated and impact our financial condition unfavorably. In particular, our expectations regarding HAGE3D's product portfolio, innovation potential and retail partnerships and the positive effects thereof on our business could turn out to be inaccurate. Hence, the expected optimization of the combined group's product portfolio may be lower than originally calculated. Accordingly, no assurance can be given that a corresponding benefit will be available to offset the investment costs incurred through the HAGE3D acquisition.

If any of the above risks materialize, this could have a material adverse effect on our business, financial condition and results of operations.

1.3.2 Warranty claims and claims for damages are limited in content, time frame and maximum amount.

In the HAGE3D Acquisition Agreement, the HAGE Holding made customary warranties in terms of, among others, due authorization, no violation of law, binding agreement, title to seller's shares, related party agreements, valid existence, capitalization of group companies, no insolvency or similar proceedings, financial statements, intellectual property and information technology, litigation, compliance, permits and subsidies, and taxes. It is possible, however, that these warranties do not cover all risks, or that they fail to cover all risks sufficiently. Additionally, a warranty made by HAGE Holding could be unenforceable for a number of reasons, including insolvency. The HAGE3D Acquisition Agreement also limits the assertion of warranty claims and claims for damages in terms of content, time frame and maximum amount. Therefore, under these circumstances, we may not be in a position to assert claims against HAGE Holding based on defects and damages identified subsequently in connection with the acquisition of HAGE3D.

1.4 Risks Related to Regulatory, Legal and Tax Matters

1.4.1 We may fail to comply with the requirements that are applicable to us as a listed entity.

The Company is subject to the legal requirements of a company listed on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (General Standard), including requirements relating to corporate governance, listing standards and timely reporting as well as securities and investor relations issues. Following the Business Combination, we will have to implement further necessary changes to the combined entity's internal control systems and there is no guarantee that we will be able to comply with the additional regulatory requirements without difficulties and inefficiencies. The Company, for instance, had to postpone the publication of the Company's standalone and consolidated financial statements as of and for the fiscal year ended December 31, 2023 until June 4, 2024 and therefore missed the regulatory deadline of April 30. Any violations of the post-admission obligations could cause us to incur significant additional costs and/or expose us to severe regulatory or civil litigation or penalties.

1.4.2 We and our customers are subject to laws and regulations, including environmental laws and export control laws due to the import and export of our products, as well as environmental, health and safety laws and regulations related to our operations and the use of our systems and materials, which could subject us to compliance costs and/or potential liability in the event of noncompliance.

We and our customers are subject to a wide variety of laws and regulations. Compliance with these laws and regulations may involve significant costs, consume significant time and resources or require changes in our business practices that result in reduced revenue and profitability. While we are not aware of any material breaches of applicable laws and regulations, we cannot guarantee that we have always been in full compliance with them in the past. Noncompliance could result in fines, criminal sanctions, prohibitions on the conduct of our business, damage to our reputation and restrictions on our ability to process information.

Our systems and other products and respective enhancements may contain undetected defects or errors that, despite testing, are not discovered until after a system or other product has been used. This may result in delayed market acceptance of those systems/products or claims from customers, sales agents, or others, resulting in litigation, increased service and support costs and warranty claims, damage to our reputation and business, or significant costs to correct the defect or error. We may become subject to warranty or product liability claims

related to product quality issues that may lead us to incur significant expenses. Furthermore, we develop prototypes for our systems and accessories with our customers, which are often first tested by our customers. If these prototype projects fail or are delayed, we may be unable to market the respective product at all or only with substantial delays. This may lead to a loss of market potential for these products.

Furthermore, in the event we are found to be responsible, as a result of environmental or other laws or by court order, for environmental damages alleged to have been caused by us or occurring on our premises, we may have to pay substantial monetary damages or undertake expensive remedial obligations. Our business involves storing and trading plastics and, to a much smaller degree, liquid chemicals used by our systems during the production process and to service our systems. These may, if not appropriately handled, cause environmental damage. The amount of any costs, including fines or damages payments or the loss of potential revenues due to disruptions of our assembling process that we may incur under such circumstances, may not be covered by our insurance at all or may substantially exceed any insurance we have to cover such losses.

We believe that we have obtained all necessary permits to operate our development and assembling facilities and other business activities. We also constantly monitor legislative changes to confirm compliance with the applicable regulatory framework. However, necessary permits may be revoked or become otherwise invalid, or we may be subject to environmental regulations that we have not been aware of. Law changes may create additional requirements for permits. This may considerably delay, make more expensive, or altogether halt the assembly and, especially, the sale of our products. We also sell our products to customers outside our key markets and to customers who import their products into other countries. Due to the variety and complexity of the respective national regulations, no assurance can be given that we possess all required permits in these countries. If it is found that national laws were breached in a country into which our products were imported, this may result in sanctions against us.

Our product sales depend on our customer's trust in their safety, quality, and environmental friendliness. Actual or merely alleged instances of safety deficiencies, inferior quality, or environmental damage caused by our products may impair the demand for our products. There is also a danger that if defective products manufactured/assembled by competitors enter the market, the trust in systems and consumables in general may be affected, impairing sales of our products.

Moreover, our filaments are based on polymers that are difficult to degrade naturally. Therefore, these filaments may become subject to regulation, which could force us to develop new polymers or materials. In September 2023, the European Union banned the use of micro plastics. It remains uncertain whether or not our business can be faced with stricter regulations.

1.4.3 If we are unable to obtain patent protection for our products or otherwise protect our intellectual property rights, our business could suffer.

We rely on a combination of patent and trademark laws in several jurisdictions, including, but not limited to, Germany, Luxembourg, and the European Union, trade secret protection, confidentiality agreements and other contractual arrangements with our employees, customers and others to maintain our competitive position. In particular, our success depends, in part, on our ability to obtain patent protection for our products, technologies and inventions, maintain the confidentiality of our trade secrets and know-how, operate without infringing upon the proprietary rights of others, and prevent others from infringing upon our and their proprietary rights.

Despite our efforts to protect our proprietary rights, it is possible that competitors or other unauthorized third parties may obtain, copy, use or disclose our technologies, inventions, processes or improvements. We cannot assure you that any of our existing or future patents or other intellectual property rights will not be challenged, invalidated or circumvented, or will otherwise provide us with meaningful protection. Our pending patent applications may not be granted, and we may not be able to obtain foreign patents or pending applications corresponding to our, inter alia, German patents. The laws of certain countries, such as China, may not provide the same level of patent protection and intellectual property right enforcement as in Germany and other jurisdictions, so even if we enforce our intellectual property rights or obtain additional patents in China or elsewhere outside of Germany, enforcement of such rights may not be effective. If our patents and other intellectual property do not adequately protect our technology, our competitors may be able to offer AM systems, consumables or other products similar to ours. Our competitors may also be able to develop similar technology independently or design around our patents, and we may not be able to detect the unauthorized use of our proprietary technology or take appropriate steps to prevent such use. In addition, the purchase of technologies as part of the HAGE3D Acquisition Agreement may increase our risks related to the potential infringement of our proprietary rights in technology.

If we attempt enforcement of our intellectual property rights, we may be (as we have been in the past) subject or party to claims, negotiations or complex, protracted litigation. Intellectual property disputes and litigation, regardless of merit, can be costly and disruptive to our business operations by diverting the attention and energies of management and key technical personnel and by increasing our costs of doing business. Any of the foregoing could adversely affect our operating results.

1.4.4 We may be subject to claims that we are infringing, misappropriating or otherwise violating the intellectual property rights of others, especially in light of the heightened pace of adoption of new technologies in our industry and the multiple additional technologies that we have been acquiring.

Our products and technology, including technology that we acquire as a result of our ongoing acquisitions of other businesses and technology that we license from others, about which we may be less knowledgeable than about our organically developed technology, may infringe, misappropriate or otherwise violate the intellectual property rights of third parties. This risk is especially relevant to our industry, where the pace of innovation and adoption of new technologies by industry players has been accelerated in recent years. Patent applications in most countries are confidential for a period of time until they are published, and the publication of discoveries in scientific or patent literature typically lags actual discoveries by several months or more. As a result, the nature of claims contained in unpublished patent filings around the world is unknown to us, and we cannot be certain that we or our acquired companies were the first to conceive inventions covered by our self-developed or our acquired patents or patent applications or that we or our acquired companies were the first to file patent applications covering such inventions. Furthermore, it is not possible to know in which countries patent holders may choose to extend their filings under the Patent Cooperation Treaty or other mechanisms. In addition, we may be subject to intellectual property infringement claims from individuals, vendors and other companies, including those that have acquired patents in the fields of 3D printing or consumable production, for the sole purpose of asserting claims against us.

In addition to patent infringement and patent-related claims, we may be subject to other intellectual property claims, such as claims that we are infringing trademarks or misappropriating trade secrets. We may also be subject to claims relating to the content on our websites, including third-party content posted on our website. Any intellectual property claims, regardless of the merit or resolution of such claims, could cause us to incur significant costs in responding to, defending and resolving such claims, and may prohibit or otherwise impair our ability to commercialize new or existing products, including products developed by our acquired companies. Resolution of such claims may, among other things, require us to redesign infringing technology, enter into costly settlement or license agreements on terms that are unfavorable to us, pay royalties to employees or former employees, or indemnify our distributors and end-users. Any infringement by us, including our acquired companies or our licensors, of the intellectual property rights of third parties may have a material adverse effect on our business, financial condition and results of operations.

1.4.5 We may be subject to claims that our employees have wrongfully used or disclosed trade secrets of their former employers.

Certain of our past and present employees were previously employed at other AM companies, including our competitors or potential competitors. Some of these employees may have executed proprietary rights, non-disclosure, and non-competition agreements concerning such previous employment. Although we try to ensure that our employees do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we, or these employees, have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such employee's former employer. We are unaware of any threatened or pending claims related to these matters, but litigation may be necessary in the future to defend against such claims. If we fail to defend any such claims, in addition to paying monetary damages, we may lose valuable personnel or intellectual property rights or may be prevented from making use of individual technologies or information. Even if we successfully defend against such claims, litigation may result in substantial costs and distract management. As we further expand our operations into the United States and elsewhere, we may face similar claims concerning our future employees in these countries.

1.4.6 We may not have validly acquired inventions by our employees and may become subject to disputes relating to noncompliance with the German Employee Inventions Act (Gesetz über Arbeitnehmererfindungen).

Under German law, the rights to any inventions initially belong to the inventor as a natural person, even when an employee made the invention during employment. While the rights to employee inventions can be acquired by us as the employer, we remain subject to several obligations vis-à-vis the employee, including the

obligation to pay a statutory compensation. We face the risk that disputes can occur between us and our employees or former employees about alleged non-adherence to the provisions of the German Employee Inventions Act that may be costly to defend and take up our management's time and efforts whether we prevail or fail in such dispute.

1.4.7 Our AM software contains third-party open-source software components, and failure to comply with the terms of the underlying open-source software licenses could restrict our ability to sell our products.

Our AM software contains components that are licensed under so-called “open-source”, “free” or other similar licenses. Open-source software is made available to the general public on an “as is” basis under the terms of a non-negotiable license. We currently combine our proprietary software with open-source software, but not in a manner that we believe requires the release of the source code of our proprietary software to the public. We do not plan to integrate our proprietary software with open-source software in ways that would require the release of the source code of our proprietary software to the public; however, our use and distribution of open-source software may entail greater risks than the use of third-party commercial software. Open-source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. In addition, if we combine our proprietary software with open-source software in a certain manner, we could, under certain open-source licenses, be required to release to the public or remove the source code of our proprietary software. We may also face claims alleging noncompliance with open-source license terms or infringement or misappropriation of proprietary software. These claims could result in litigation requiring us to purchase a costly license or remove the software. In addition, if the license terms for open-source software that we use change, we may be forced to re-engineer our solutions, incur additional costs, or discontinue the sale of our offerings if re-engineering cannot be accomplished on a timely basis. Although we monitor our use of open-source software to avoid subjecting our offerings to unintended conditions, there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our offerings. We cannot guarantee that we have incorporated open-source software in our software in a manner that will not subject us to liability or in a manner that is consistent with our current policies and procedures.

1.4.8 We may not be able to adapt our internal controls, as well as our reporting, risk management and compliance procedures, to the requirements of a public company.

We are in the process of adapting our internal controls as well as our reporting and risk management procedures to the requirements of a publicly listed company, but there is no guarantee that we will be able to implement adequate procedures in a timely manner or at all. Any failure to establish or maintain an effective system of internal controls over financial reporting could limit our ability to report our financial results accurately and in a timely manner or to detect and prevent fraud. In addition, noncompliance with applicable laws and regulations may harm our reputation and ability to compete and result in legal action, criminal and civil sanctions, or administrative fines and penalties against us, members of our governing bodies and our employees. They may also result in damage claims by third parties or other adverse effects.

1.4.9 We may not be able to protect and appropriately use our data and the data of our customers and suppliers.

In the operation of our business, we collect, store, use, and transmit large volumes of data regarding our customers, suppliers, and our own business operations, in various information systems maintained by us and various third parties, including providers of information systems maintenance services. The integrity and protection of this data is critical to our business, as our customers and suppliers have expectations that we will adequately protect and appropriately use their personal and other information. Furthermore, in the event that we or third-party service providers are negligent or otherwise mishandle data and the corresponding information is compromised or otherwise subjected to unauthorized access, we may be exposed to legal liability and our reputation may be harmed.

We are subject to European Union and national laws and regulations on data protection. In the European Union, the new General Data Protection Regulation (“GDPR”) entered into force on May 25, 2018. The GDPR implements more stringent operational requirements for processors and controllers of personal data, including, for example, expanded disclosures about how personal information is to be used, limitations on retention of information, mandatory data breach notification requirements and higher standards for data controllers to demonstrate that they have obtained valid consent for certain data processing activities. The GDPR establishes penalties for violations. Any failure or perceived failure by us to comply with the GDPR or any security incident that results in the unauthorized release or transfer of data may result in governmental enforcement actions, litigation, fines and penalties or adverse publicity, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may incur significant additional costs to meet these requirements, obligations and expectations, and in the event of alleged or actual non-compliance, we may incur significant increased operating expenses and other costs, increased exposure to fines and litigation, and increased risk of damage to our reputation and brands all of which could lead to a material adverse effect on our future business, financial condition, cash flows, results of operations.

1.4.10 Our employees, resellers, agents, business partners or other associated parties may behave in contravention of our internal policies or laws and regulations applicable to us or otherwise act unethically or illegally, which could harm our reputation or subject us to liability.

We are exposed to the risk that our employees, resellers, agents, business partners or other associates may engage in activity that is unethical, illegal, or otherwise contravenes our internal policies or the laws and regulations applicable to us, whether intentionally, recklessly or negligently. In addition, it may not always be possible to identify and deter misconduct, and the precautions we take to detect and prevent this activity may be ineffective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including harm to our reputation and the imposition of significant fines or other sanctions.

1.4.11 One of our shareholders, or a group of our shareholders acting in concert, may, in the future, acquire control of the Company and become subject to mandatory takeover bid requirements, in which case our shareholders would have the choice between accepting the mandatory takeover bid or remaining invested in a company that will be controlled by one shareholder or a group of shareholders acting in concert unless the CSSF grants a derogation.

Under Luxembourg law, any person acting alone or in concert who acquires 33.33% or more of our share capital with voting rights attached is required to launch a mandatory takeover bid for the remainder of our shares. If a single shareholder or a group of shareholders acting in concert acquire more than 33.33% of our shares, they will be subject to mandatory takeover bid requirements. Unless the shareholder or the group of shareholders acting in concert apply with the CSSF for a derogation from the mandatory takeover bid requirement and obtain such derogation from the CSSF, our other shareholders will have to choose between tendering their shares or remaining invested in a company controlled by one shareholder or a group of shareholders acting in concert. In case the CSSF grants the derogation by such a shareholder or group of shareholders acting in concert, there will be no mandatory takeover offer, and our shareholders might not have the option to sell their shares to such controlling shareholder or group of shareholders acting in concert.

SMG Technology Holding S.à r.l. (the “**Sponsor**”) and the shareholders of BigRep (including HAGE Holding) have submitted a draft derogation request to the CSSF in January 2024 in relation to the potential reverse acquisition of control resulting from the consummation of the Business Combination. It is further understood that these parties intend to submit a final version of the derogation request following consummation of the Business Combination on July 29, 2024. There can be no assurance that the CSSF will grant the derogation request. If the CSSF grants the derogation request, the shareholder or the group of shareholders acting in concert will not be obligated to extend a mandatory takeover offer to our shareholders and our shareholders will not have the option to sell their Public Shares (as defined below) to such controlling shareholder or group of shareholders acting in concert. If the CSSF does not grant the derogation request, the shareholder or the group of shareholders acting in concert, will be obligated to extend a mandatory takeover offer to our shareholders and our other shareholders will have to choose between tendering their Public Shares or to remain invested in a company controlled by one shareholder or a group of shareholders acting in concert.

1.4.12 Our business is subject to the general tax environment in the jurisdictions in which we operate, and any changes to this tax environment may increase our tax burden.

Our business is subject to the general tax environment in Luxembourg and Germany. Our ability to use tax loss carryforwards and other favorable tax provisions depends on national tax laws and their interpretation in these countries. Changes in tax legislation, administrative practices or case law could increase our tax burden, and such changes might even occur retroactively. Further, as a result of tax audits or other review actions by the relevant tax authorities, we may be required to make significant additional tax payments. In particular, this may be the case with respect to the utilization of tax loss carryforwards, transfer pricing applied by the Company, including the documentation thereof, the tax residency of the Company, and changes in our shareholding structure

and past reorganizations as well as with respect to the tax treatment of stock options issued to our employees. Any of the foregoing could have a material adverse effect on our results of operations and financial condition.

1.4.13 *Workplace accidents or environmental damage may result in substantial remedial obligations and damage our reputation.*

Accidents or other incidents at our facilities or involving our personnel or operations may result in claims for damages against us. In addition, accidents (*e.g.*, because the operator follows incorrect procedures or because the operator used accessories or materials not approved) that occur in connection with the operation of our systems at our customers' facilities, which may have happened in the past and may happen in the future, may result in claims for damages against us. Regardless of the merit of such claims, they may result in a significant loss of reputation for us and could have a material effect on our results of operations and financial condition.

1.4.14 *We may be required to repay public aid.*

We have benefited from public aid, such as subsidies, public R&D funding, and subsidized loans. Such aid granted by national or European governmental authorities entails various funding law obligations and restrictions. Any violations of state aid law, lack of compliance with funding law obligations or regulations, or changes in circumstances relating to funding conditions may expose us to considerable repayment claims or reductions or revocations of aid for the future, including terminations of subsidized loans. Any of the foregoing could have a material adverse effect on our results of operations and financial condition.

1.5 Risks Related to the Public Shareholders

1.5.1 *Upon the exercise of the Public Warrants into Public Shares as well as mandatory redemption of the Preferred Shares against issuance of new Public Shares, investors in the Public Shares may experience substantial dilution in voting rights in an amount of up to 12% (assuming the exercise of all Public Warrants and that the Condition is met but that the Company cannot pay the Preferred Dividend due to mandatory provisions of Luxembourg law).*

SMG Technology placed in total 1,100,000 class A warrants, each with the right to subscribe for one Public Share at a stated exercise price of €7.00, with investors (the "**Public Warrants**"). The Public Warrants will become exercisable on the first anniversary of the consummation of the Business Combination, *i.e.*, on July 29, 2025, and will be exercisable subsequently on the first day until the 14th day (including) of June and December of each year and 14 days immediately prior to expiration and will expire five years from the date of the consummation of the Business Combination, *i.e.*, on July 29, 2029, or earlier upon redemption or liquidation of the Company.

In addition, the Sponsor and de Krassny GmbH held together 2,190,000 class B shares in the Company (the "**Sponsor Shares**") (following a 10:1 reverse stock split resolved by the SMG Technology's general shareholders' meeting on July 25, 2024 (the "**Reverse Stock Split**")) and in connection with the Business Combination, SMG Technology issued 1,560,000 additional Sponsor Shares from its authorized capital under Luxembourg law. All Sponsor Shares have converted into Public Shares upon consummation of the Business Combination, *i.e.*, on July 29, 2024.

The holders of the class C shares with certain liquidation preferences (the "**Preferred Shares**") are entitled to a Preferred Dividend (as defined below), subject to (i) the fulfilment of the Condition (as defined below) and (ii) mandatory provisions of Luxembourg law. If the Condition is met and in the event the Company cannot pay the Preferred Dividend due to mandatory provisions of Luxembourg law (i) the Company shall redeem all Preferred Shares at a redemption price corresponding to the accounting par value of €0.0548 for each Preferred Share, and (ii) the Company shall issue, as the redemption consideration, 3,360,000 new Public Shares (assuming 2,100,000 Preferred Shares) at a subscription price corresponding to the accounting par value of €0.0548 for each Public Share to the respective former holders of Preferred Shares. The mandatory redemption of 2,100,000 Preferred Shares against issuance of 3,360,000 new Public Shares amounts to an exchange ratio of 1:1.6.

The exercise of Public Warrants as well as the mandatory redemption of the Preferred Shares against issuance of new Public Shares will substantially dilute the voting rights of the existing holders of Public Shares (the "**Public Shareholders**") by up to 12% (assuming the exercise of all Public Warrants and that the Condition is met but that the Company cannot pay the Preferred Dividend due to mandatory provisions of Luxembourg law) and accordingly reduce the value of their interests.

1.5.2 We will have outstanding shares of preferred stock that have rights and preferences senior to our Public Shares.

At the time of our listing, we will have outstanding 2,100,000 Preferred Shares. The Preferred Shares are, except as described below, identical to the Public Shares and holders of Preferred Shares have the same shareholder rights as Public Shareholders.

In the event of (i) any insolvency or bankruptcy proceedings of BigRep, (ii) the sale of more than three-quarters of the voting shares in BigRep, (iii) the sale of the business or all or substantially all of the assets of BigRep, or (iv) the entry of BigRep into a similar business combination or extraordinary transaction with another entity or person having a comparable economic effect as the legal transactions mentioned under lit. (ii) and (iii) (the “**Liquidation Event**”), any proceeds of BigRep and any remaining value of BigRep (the “**Proceeds**”) shall be paid to the Company. Subject to applicable laws, in any case of distribution, repayment or redemption, each holder of Preferred Shares shall receive, from the Proceeds, an amount equal to the number of Preferred Shares held by such holder multiplied by the aggregate amount of the subscription price actually paid to the Company for such Preferred Shares at the time of issuance or allocation, less the amount of any repatriation, distribution or payment already paid, until the date of the expiration of the Public Warrants.

The holders of the Preferred Shares are entitled to a preferred dividend at a rate of 12.0% per year on the aggregate amount of the subscription price paid to the Company for such Preferred Shares at the time of issuance or allocation (the “**Preferred Dividend**”), based on quarterly periods, which shall only be paid at the Company’s annual general shareholders’ meeting to be held after the expiration of the period from the consummation of the Business Combination to five years after such date (the “**Calculation Period**”) *pro rata* to the number of Preferred Shares held by each holder of Preferred Shares and subject to (i) the fulfilment of the condition that the daily volume-weighted average price of the Public Shares on the XETRA trading system of Deutsche Börse Aktiengesellschaft has been lower than €10.00 for the Calculation Period (the “**Condition**”) and (ii) mandatory provisions of Luxembourg law. If the Condition is met and in the event the Company cannot pay the Preferred Dividend due to mandatory provisions of Luxembourg law at the Company’s annual general shareholders’ meeting to be held after the expiration of the Calculation Period, (i) the Company shall redeem all Preferred Shares at a redemption price corresponding to the accounting par value of €0.0548 for each Preferred Share, and (ii) subject to the exemption to publish a listing prospectus in accordance with Article 1 para. 5 of the Prospectus Regulation being available to the Company, the Company shall issue, as the redemption consideration, 3,360,000 new Public Shares (assuming 2,100,000 Preferred Shares) at a subscription price corresponding to the accounting par value of €0.0548 for each Public Share to the respective former holders of Preferred Shares, in each case *pro rata* the Preferred Shares so redeemed, and without reserving a preferential right to subscribe for such Public Shares for the existing shareholders.

If the Condition is not met, *i.e.*, the daily volume-weighted average price of the Public Shares on XETRA trading system of Deutsche Börse Aktiengesellschaft has been above €10.00 for the Calculation Period, (i) the Company shall redeem all Preferred Shares at a redemption price corresponding to the accounting par value of €0.0548 for each Preferred Share, and (ii) subject to an exemption to publish a listing prospectus being available to the Company, the Company shall issue 2,100,000 new Public Shares at a subscription price corresponding to the accounting par value of €0.0548 for each Public Share to the respective former holder of Preferred Shares, in each case *pro rata* the Preferred Shares so redeemed, and without reserving a preferential right to subscribe for such Public Shares for the existing shareholders.

For the avoidance of doubt, the redemption price of the Preferred Shares shall correspond to the subscription price of, respectively, the new 3,360,000 Public Shares (assuming 2,100,000 Preferred Shares) and the new 2,100,000 Public Shares (assuming 2,100,000 Preferred Shares), and such new Public Shares will not be entitled to the Preferred Dividend and the subscription price of such new Public Shares shall be set off against the redemption price.

Subject to mandatory provisions of Luxembourg law, in accordance with the Articles of Association and at any time during the Calculation Period, each holder of Preferred Shares may elect to redeem a portion or all of its Preferred Shares. The Company shall issue a corresponding amount of Public Shares to such shareholder. The subscription price of such new Public Shares shall be set off against the redemption price.

The issuance of the new Public Shares with regard to the redemption of the Preferred Shares may be settled by the Company either through (i) the issuance of new Public Shares by the Company through incorporation of reserves or against contribution in cash; or (ii) the transfer of Public Shares held in treasury by the Company.

The payments in a Liquidation Event and the Preferred Dividends may limit the amounts available for payment, if any, to existing Public Shareholders. The above provisions may also dilute the economic and voting rights of the existing Public Shareholders. The existence of the Preferred Shares may generally adversely impact the demand and trading price of our Public Shares.

1.5.3 *There is no guarantee that following the Business Combination a liquid market for the Public Shares will develop and persist.*

The shares of BigRep have not been publicly traded. There is no guarantee that following the Business Combination an active and liquid market for the Public Shares will develop and persist, especially since the Public Shares issued as part of the Business Combination are subject to substantial lock-up restrictions.

Under the Lock-Up and Divestment Agreement (as defined below), the parties have agreed that they shall not for the period commencing on the closing date of the Business Combination, and ending (i) 30 months from the closing date of the Business Combination for HAGE Holding in respect of 662,527 Public Shares, BASF Venture Capital GmbH, and Koehler Invest GmbH (“**Koehler**”) in respect of 2,559,890 Public Shares, and (ii) 18 months from the closing date of the Business Combination for Dr. Reinhard Festag and Dr. Sven Thate, de Krassny GmbH, Apollo Beteiligungs GmbH, KLK HOLDINGS LTD, Koehler in respect of the remainder of their shares, SMG Investment S.à r.l., the Sponsor, HAGE Holding in respect of 276,053 Public Shares, and all other parties to the Lock-Up and Divestment Agreement that are not Exempted Shareholders (the “**Lock-Up Period**”) (i) sell, assign, charge, dispose of, encumber, pledge, mortgage, hypothecate, grant any option, right or warrant to purchase or otherwise transfer (including by merger, business combination or otherwise) (such actions collectively referred to as “**Transfer**”) any shares or any other securities of the Company, including securities convertible into, exercisable or exchangeable for shares; (ii) conclude any swap agreements that would transfer the economic risk of ownership of the shares to a third party; or (iii) enter into a transaction or perform any action economically similar to those described under item (i) and (ii) after the closing of the Business Combination, except for HAGE Holding in respect of 165,632 shares, the beneficiaries of the ESOP 2017, Dorle Sandkühler-Gurka, Martin Back, and Dr. Stephan Beyer (the “**Exempted Shareholders**”), and without prejudice to the statutory right or obligation of the shareholder to sell to the relevant offeror in the event that the shares are subject to a mandatory takeover, sell-out or squeeze-out procedures (each of the items (i) to (iii) collectively referred to as the “**Lock-Up**”).

Any Lock-Up shall end for all parties to the Lock-Up and Divestment Agreement (as defined below) if the Public Shares of SMG Technology trade, on the XETRA trading system of Deutsche Börse Aktiengesellschaft, at or above a volume-weighted average price (“**VWAP**”) of €15.00 for a period of at least 30 consecutive trading days following the closing of the Business Combination. In the event of a share split or reverse share split, the VWAP shall be adjusted accordingly.

If no active and liquid market for the Public Shares develops and persists, investors may not be able to sell their Public Shares at or above the price at which they acquired the Public Shares. In addition, the lack of trading history of the Public Shares as a holding company with respect to BigRep’s business will make it harder for investors to assess the future volatility of the price of the Public Shares. The development of the price of the Public Shares may be volatile and price fixings on the stock exchange may be limited and impacted. Any such event may negatively affect the price and public tradability and may lead to substantial losses for investors.

1.5.4 *The Public Shares subject to Lock-Up are restricted from immediate resale but may be sold into the market in the near future, which may negatively affect the market price of our Public Shares.*

Sales of a substantial number of Public Shares in the public market could occur at any time following the end of the Lock-Up Periods. At the end of such lock-up commitments, these shareholders are free to sell their Public Shares. These sales, or the perception in the market that the holders of a large number of Public Shares intend to sell Public Shares, could reduce the market price of our Public Shares.

1.5.5 *Public Warrants are accounted for as derivative liabilities with changes in fair value each period reported in earnings, which may have an adverse effect on the market price of the Public Shares.*

The Public Warrants are treated as derivatives on our balance sheet, consistent with existing accounting interpretations under International Financial Reporting Standards as adopted by the European Union (“**IFRS**”). The treatment of the Public Warrants as derivatives could result in volatility because the impact of mark-to-market on the financial results following the Business Combination is likely to be larger than any impact prior to the Business Combination. Any such volatility could have an adverse effect on the market price of the Public Shares.

1.5.6 *If securities analysts do not publish research or reports about our business or if they publish negative evaluations of us, the market price and trading volume of the Public Shares could decline.*

The trading market for Public Shares will be influenced by, among other things, the research and reports that industry or securities analysts publish about us, our business, our markets, and our competitors after the Business Combination. If any of the analysts who cover us issue an adverse opinion regarding us, the price of the Public Shares could decline. The Public Share price could also be adversely affected by reports about our markets or our competitors, even if the reports do not directly address us. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause the share price and/or trading volume of Public Shares to decline, in which case investors could lose some or all of their investments.

1.5.7 *Future offerings of debt or equity securities by us could adversely affect the market price of the Public Shares, and future capitalization measures could substantially dilute the interests of our then existing shareholders.*

In the future, we may require additional capital to finance our business operations and growth. We may therefore seek to raise such capital through the issuance of additional debt or equity securities (potentially including conversion rights, e.g., convertible bonds or option bonds) or by implementing future stock options or employee participation programs. Issuance of additional equity securities or securities containing a right to convert into equity, such as convertible debentures and option debentures, could potentially reduce the market price of the Public Shares and would dilute the economic and voting rights of our then-existing shareholders if made without granting subscription rights to them. As the timing and nature of any future offering would depend on market conditions at the time of such an offering, we cannot predict or estimate the amount, timing or nature of future offerings. If such offerings are made without granting subscription rights to our existing shareholders, this could substantially dilute the economic and voting rights of such existing shareholders and reduce the value of their interests in us.

In addition, such dilution may occur as the result of the acquisition of companies or interests in companies in exchange for newly issued shares, the granting of options to our business partners, and the exercise of stock options by our employees under future stock option plans or the issuance of shares to employees under future stock option employee plans. Even if subscription rights have been granted to shareholders, it is possible that investors in certain countries may not be able to acquire or exercise subscription rights due to local laws. Shareholders thus bear the risk that such future offerings could reduce the market price of the Public Shares and / or dilute their shareholdings.

1.5.8 *We may grant options and other types of awards under our share incentive plans, which may result in significant share-based compensation expenses and you will incur immediate and substantial dilution.*

We plan to adopt an employee stock option plan for the purpose of granting share-based compensation awards to employees, directors and consultants to incentivize their performance and align their interests with ours.

Following the consummation of the Business Combination, a new share option program (the “**New ESOP**”) with the following terms has been implemented.

- The New ESOP comprises one million options for the subscription of Public Shares for the benefit of SMG executives and BigRep employees, which includes subsidiaries, each for the subscription of one share at a price of €12.50 (based on an issue price of €10.00 per share – or 10 million options with an issue price of €1.00).
- The New ESOP is allocated as follows: (i) 50% to the current team of relevant employees and top performers and Dr. Reinhard Festag and Dr. Sven Thate, which are then divided into (x) 25% to relevant employees and top performers of BigRep and (y) 25% to members of the management board of BigRep SE, and (ii) 50% to new employees and members of the supervisory board of BigRep SE.
- SMG Technology will have two members in its management board in the future, each such member shall receive 83,333 options under the New ESOP. A third member of its management board is to be appointed in the course of the year, who is to receive also 83,333 options under the New ESOP.

- The New ESOP provides for a four-year vesting period, *i.e.*, 25% of options vest within each year. Options that have not yet vested will expire if the service or employment relationship ends prior to the occurrence of an exercise event for whatever reason.
- All unvested options expire without replacement or compensation if the service or employment relationship of the option holder ends due to termination for good cause by SMG Technology or BigRep or an affiliated company for which the option holder is responsible (*e.g.*, termination due to misconduct).
- At the end of each vesting period, the option holder has the right to purchase the shares for the subscription price of one share at a price of €12.50 per option.
- There is no protection against dilution. The options are economically diluted in the event of future increases in the SMG Technology's share capital.
- All taxes, duties and contributions, as well as, interest, penalties and fines or other surcharges thereon arising in connection with the granting of the options, the exercise of the options and/or corresponding payments shall be borne by the option holder.

The exercise or conversion of some or all of our stock options to be granted to could result in significant dilution in the percentage ownership interests of our existing Public Shareholders and in a significant dilution of voting rights and earnings per share.

1.5.9 We may not be able to pay dividends or may decide not to pay dividends and the size of any dividend payments may fluctuate.

We currently do not have a dividend policy and BigRep did not have a dividend policy prior to the Business Combination. The payment of future dividends will depend on our business, results of operations, financial condition and prospects. Of the annual net profits of the Company, 5% at least shall be allocated to the legal reserve. This allocation shall cease to be mandatory as soon and as long as the aggregate amount of such legal reserve reaches 10% of the subscribed share capital of the Company but shall again be mandatory if such legal reserve falls below such 10% threshold. Upon recommendation of the Company's management board, the Company's general shareholders' meeting will decide on how the remainder of the Company's profits will be used (including the payment of dividends). Furthermore, the management board of the Company may proceed with the payment of interim dividends subject to the provisions of Luxembourg law and the provisions of the articles of association of the Company.

Any future decision to pay dividends will be made in accordance with applicable laws and will be based on our particular situation at the time, including our results of operations, financial condition, capital expenditure needs and the availability of distributable capital. In addition, some future financing arrangements may contain restrictions and covenants relating to leverage ratios and restrictions on dividend distributions upon a breach of any covenant. The payments of Preferred Dividends may also limit the amounts available for payment, if any, to existing Public Shareholders. Any of these factors, individually or in combination, could restrict our ability to pay dividends.

1.6 Risks Related to the Business Combination

1.6.1 SMG Technology and BigRep have no history of operating as a combined company. The pro forma consolidated financial information may not be an indication of BigRep's financial condition or results of operations following the Business Combination, and, accordingly, investors have limited financial information on which to evaluate BigRep and their investment decision. The risk is increased by the fact that doubts have been expressed by the respective auditors with regard to both the SMG Technology Group and the BigRep Group as to whether they can continue as a going concern.

SMG Technology was incorporated in 2023 and had no operating history or revenue prior to the consummation of the Business Combination. This Prospectus includes an unaudited pro forma consolidated statement of profit or loss as of and for the fiscal year ended December 31, 2023, giving effect to the Business Combination as if it had occurred on January 1, 2023, and an unaudited pro forma consolidated statement of financial position as of December 31, 2023, giving effect to the Business Combination as if it had occurred on December 31, 2023, prepared in accordance with the principles described in the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be

published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 Annex 20 Pro Forma Information (together, the “**Unaudited Pro Forma Consolidated Financial Information**”).

The Unaudited Pro Forma Consolidated Financial Information is presented for illustrative purposes only and is not necessarily indicative of the financial position and results of operations that would have been achieved had the Business Combination and related transactions occurred on the dates indicated. Further, the Unaudited Pro Forma Consolidated Information may not be useful in predicting our future financial condition and results of operations. Our future financial position and results of operations may differ significantly from any predictions based on the Unaudited Pro Forma Consolidated Financial Information.

The risk is increased by the fact that doubts have been expressed by the respective auditors with regard to both the SMG Technology Group and the BigRep Group as to whether they can continue as a going concern. SMG Technology Group experienced a liquidity shortage prior to the consummation of the Business Combination, among others arising from significant costs already incurred in connection with the Business Combination, and its listing. In addition, as a growth company, BigRep is dependent on the injection of additional funds until its break even, which is planned for the end of 2025 leading to a planned consolidated profit for the year 2026 (see “*1.2.1 We are an early stage company with a history of significant losses, expect to incur significant costs and expenses as well as continuing losses for the foreseeable future and depend on the contemplated transaction and other external financing to continue our operations. There is no guarantee that we will be able to successfully grow and operate our business and achieve profitability in the future.*”). There is therefore a risk that these doubts may persist and materialize and that as a result the combined company will not be able to continue as a going concern.

1.6.2 The Business Combination might fail to achieve the envisioned benefits.

The process of taking a company public by means of a business combination with a special purpose acquisition company (“SPAC”) involves, by virtue of its structure and deal specifics, various risks for investors that are difficult or impossible to mitigate. While SMG Technology’s management believes that it exercised appropriate diligence in its search for a target company, there is always a risk that the benefits expected from the Business Combination will not materialize.

1.6.3 The Sponsor and through his participation in the Sponsor Dr. Stefan Petrikovics (CEO) may have interests in the Business Combination that are different from, or in addition to, those of SMG Technology’s shareholders generally.

The Sponsor and through his participation in the Sponsor Dr. Stefan Petrikovics (CEO) and Koehler may have interests in the Business Combination that are different from, or in addition to, those of other shareholders of SMG Technology generally. SMG Technology’s management board was aware of and considered these interests, among other matters, when evaluating and negotiating the Business Combination, and in recommending to SMG Technology’s shareholders that they approve the Business Combination proposal.

The interests include the following facts. If these interests are to be qualified as conflict of interests this is indicated below.

- the fact that the Sponsor agreed not to redeem any shares held by it in connection with a shareholder vote to approve a proposed Business Combination;
- the fact that the Sponsor paid an aggregate of approximately €205,000 for the 3,750,000 Sponsor Shares and such securities have a significantly higher value at the time of the Business Combination when they automatically convert into Public Shares, which qualifies as a conflict of interest;
- the fact that the Sponsor subscribed for 20,000,000 class B warrants at a price of €0.15 per class B warrant, which reflect 2,000,000 class B warrants at a price of €1.50 per class B warrant following the Reverse Stock Split (€3,000,000 in the aggregate) (the “**Sponsor Capital At-Risk**”);
- the fact that the Sponsor paid an additional purchase price for the Sponsor Shares in the aggregate of €750,000 that will, next to the Sponsor Capital At-Risk, be used to fund certain working capital requirements and remuneration costs;

- the fact that the Sponsor would have lost its entire investment in SMG Technology and would not have been reimbursed for any out-of-pocket expenses if a business combination is not consummated by end of October 31, 2024, which qualifies as a conflict of interest; and
- the fact that Koehler was invested in both, SMG Technology and BigRep and, BigRep will benefit from additional funding provided in connection with the consummation of the Business Combination.

These interests may have influenced the members of SMG Technology’s management board in making its recommendation that SMG Technology’s shareholders should vote in favor of the approval of the Business Combination.

1.6.4 The process of taking a company public by means of a business combination with a SPAC is different from taking a company public through an underwritten offering and may create risks for our unaffiliated investors.

An underwritten offering involves a company engaging underwriters to place shares with investors. Going public via a business combination with a SPAC does not involve any underwriters. In addition, going public via a business combination with a SPAC does not involve a book-building process, as is the case in an underwritten offering. In any underwritten offering, the initial value of a company is set by investors who indicate the price at which they are prepared to purchase shares from the underwriters. In the case of a SPAC transaction, the value of the company is established by means of negotiations between the target company and the SPAC. The process of establishing the value of a company in a SPAC business combination may be less effective than the book-building process in an underwritten offering and also does not reflect events that may have occurred between the date of the business combination agreement and the closing of the transaction. In addition, underwritten offerings are frequently oversubscribed, resulting in additional potential demand for shares in the aftermarket following the underwritten offering. There is often no such book of demand built up in connection with a SPAC transaction and no underwriters with the responsibility of stabilizing the share price, which may result in the share price being harder to sustain after the consummation of the Business Combination.

1.6.5 BigRep’s medium-term strategic goals, which were prepared in connection with the Business Combination, may prove to be inaccurate or may not be reached.

In connection with the Business Combination, SMG Technology, together with BigRep, prepared certain medium-term strategic goals including, but not limited to, achieving our break-even at the end of 2025 leading to a planned consolidated profit for the year 2026. Such medium-term strategic goals were based on numerous variables and assumptions at the time of preparation, all of which are inherently uncertain and many of which are beyond the control of SMG Technology and BigRep. Important factors that may affect actual results and cause such medium-term strategic goals to not be achieved include but are not limited to risks and uncertainties relating to BigRep’s business (including its ability to achieve strategic goals, objectives and targets over applicable periods), industry performance, the competitive environment, changes in technology, and general business and economic conditions. The variables and assumptions underlying BigRep’s medium-term strategic goals may prove to not have been, or may no longer be, accurate. Accordingly, such medium-term strategic goals may not be realized, and actual results may be significantly higher or lower than projected. As a result, the inclusion of such medium-term strategic goals in this Prospectus should not be relied on as “guidance” or otherwise predictive of actual future events, and actual results may differ materially.

1.6.6 SMG Technology and BigRep will incur significant transaction and transition costs in connection with the Business Combination.

SMG Technology and BigRep have incurred and expect to incur a number of significant non-recurring implementation and restructuring costs associated with combining the operations of the two companies. In addition, SMG Technology and BigRep have incurred significant legal, accounting and other transaction fees and costs related to the Business Combination. Additional costs in excess of currently anticipated costs may also be incurred in connection with the integration of the businesses of SMG Technology and BigRep. SMG Technology and BigRep estimate that an aggregate of approximately €5.1 million of auditors, banking, legal and other professional fees and costs related to the Business Combination will be incurred from the initiation of the Business Combination through its consummation. Any cost savings or other efficiencies related to the integration of the businesses that could offset these transaction and transition costs over time may not be achieved in the near term or at all. In addition, the timeline in which cost savings are expected to be realized is lengthy and may not be achieved. Failure to offset these transaction and transition costs by realizing the synergies, cost reductions and other efficiencies in a timely manner or at all could have a material adverse effect on our profit and cash flows.

1.6.7 Subsequent to the consummation of the Business Combination, the Company may be required to take write-downs or write-offs, restructuring, impairment or other charges that could have a significant negative effect on its financial condition, results of operations and share price, which could cause investors to lose some or all of their investment.

Although SMG Technology has conducted due diligence on BigRep, SMG Technology cannot assure that this diligence revealed all material issues that may be present in BigRep's business, that it would be possible to uncover all material issues through a customary amount of due diligence, or that factors outside of SMG Technology's and BigRep's control will not later arise. As a result, subsequent to the consummation of the Business Combination, we may be forced to write down or write off assets, restructure our operations, or incur impairment or other changes that could result in losses. Even if SMG Technology's due diligence successfully identifies certain risks, unexpected risks may arise, and previously known risks may materialize in a manner not consistent with SMG Technology's preliminary risk analysis. Even though these charges may be non-cash items and may not have an immediate impact on our liquidity following the Business Combination, the fact that we report charges of this nature could contribute to negative market perceptions about our business or our securities. In addition, charges of this nature may cause us to be unable to obtain future financing on favorable terms or at all.

2. GENERAL INFORMATION

2.1 Responsibility Statement

SMG Technology (renamed to BigRep SE), *i.e.*, the Company, assumes responsibility for the content of this Prospectus pursuant to the Prospectus Regulation and declares that the information contained in this Prospectus is, to the best of its knowledge, correct and contains no material omissions, and that it has taken all reasonable care to ensure that the information contained in this Prospectus is, to the best of its knowledge, correct and contains no material omission likely to affect its import.

The Listing Agent (as defined below) does not take responsibility and makes no representation or warranty as to the accuracy or completeness of the information contained in this Prospectus.

2.2 Competent Supervisory Authority

The Prospectus for this listing has been approved by the CSSF in its capacity as competent authority under the Prospectus Regulation and the Luxembourg Prospectus Law for the purpose of the admission of the New Public Shares to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (General Standard), meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company or BigRep or the quality of the New Public Shares and investors should make their own assessment as to the suitability of investing in the New Public Shares. The CSSF gives no undertaking as to the economic and financial soundness of the transaction or the quality and solvency of the issuer in line with the provisions of Article 6 para. 4 of the Luxembourg Prospectus Law. Application has been made to notify BaFin in accordance with the European passport mechanism set forth Article 25 para. 1 of the Prospectus Regulation.

This Prospectus will be published in electronic form on the website of the Luxembourg Stock Exchange (<https://www.luxse.com>) and on the Company's website at www.bigrep.com under the "Investor Relations" section. By approving this Prospectus, the CSSF gives no undertaking as to the economic and financial soundness of the transaction or the quality and solvency of the Company in line with the provisions of Article 6 para. 4 of the Luxembourg Prospectus Law.

The information on the websites does not form part of this Prospectus and has not been scrutinized or approved by the CSSF.

2.3 Purpose of this Prospectus

This Prospectus relates to the admission to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (General Standard) of 12,375,418 New Public Shares with an accounting par value of €0.0548 each as part of (i) the issuance of 8,625,418 New Public Shares as consideration for the acquisition of all shares held by (former) BigRep's shareholders in BigRep, resolved on by SMG Technology's (renamed to BigRep SE), *i.e.*, the Company's management board (the "**Management Board**") on July 26, 2024, and approved by the Company's supervisory board (the "**Supervisory Board**") on the same day, utilizing the authorized capital under the Company's articles of association (the "**Articles of Association**") (the "**Consideration Shares**"), and (ii) the conversion of 3,750,000 Sponsor Shares on a one-on-one basis into 3,750,000 New Public Shares (the "**Conversion Shares**").

2.4 Information on the Company's Securities

The Company is a European company (*Société Européenne*) and its affairs are governed by the Articles of Association, the applicable Luxembourg law and Council Regulation no 2157/2001 of 8 October 2001 on the Statute for a European company (SE). Pursuant to the Articles of Association, as of the date of this Prospectus, the Company has an authorized capital allowing it to issue 189,174,582 Public Shares.

2.4.1 Shares

2.4.1.1 General

Prior to the Business Combination, SMG Technology had issued, in accordance with the Luxembourg law dated 10 August 1915 on commercial companies, as amended (the "**Luxembourg Company Law**"), 22,000,000 Public Shares and 21,900,000 Sponsor Shares, which were issued at an accounting par value of

€0.00548 per share. Following a 10:1 reverse stock split resolved by the SMG Technology’s general shareholders’ meeting on July 25, 2024 (the “**Reverse Stock Split**”), the 22,000,000 Public Shares and 21,900,000 Sponsor Shares now reflect 2,200,000 Public Shares and 2,190,000 Sponsor Shares. SMG Technology placed the gross proceeds from its initial private placement of the Public Shares and Public Warrants (as defined below) (the “**Private Placement**”), which was completed on October 31, 2023, into the escrow account (the “**Escrow Account**”) with Deutsche Bank Aktiengesellschaft (the “**Escrow Bank**”) opened by SMG Technology’s German affiliate, SMG Technology Advisors GmbH & Co. KG.

In connection with the Business Combination, the Company issued, in accordance with the Luxembourg Company Law, (i) 8,625,418 New Public Shares to BigRep’s shareholders, as well as (ii) 1,560,000 additional Sponsor Shares from its authorized capital under Luxembourg law.

3,750,000 Sponsor Shares, *i.e.*, all outstanding Sponsor Shares, automatically converted into Public Shares in connection with the consummation of the Business Combination on July 29, 2024.

In addition, (i) 2,100,000 Public Shares of certain shareholders of SMG Technology were redeemed by the respective shareholders for a price calculated in accordance with the Articles of Association, subject to the condition precedent that such shareholders subscribes for an equal number of Preferred Shares as it has redeemed, which the Company issued, in accordance with the Luxembourg Company Law, from its authorized capital under Luxembourg law, and (ii) 95,262 further Public Shares were redeemed and are held as treasury shares by the Company.

Hence, as of the date of this Prospectus, the share capital of the Company under its Articles of Association amounts to €913,767.32 and 16,675,418 shares are outstanding including:

- 14,575,418 Public Shares, of which 2,195,267 are held in treasury by the Company; and
- 2,100,000 Preferred Shares.

For any matter submitted to a vote of the shareholders, except as required by Luxembourg law, holders of Public Shares and holders of Preferred Shares will vote together as a single class, with each share entitling the holder to one vote. All Public Shares and Preferred Shares carry full dividend rights from the date of their issuance. In the event of a liquidation, dissolution or winding up of the Company, the shareholders are entitled to share pro rata in all assets remaining available for distribution to them after payment of liabilities and subject to the Preferred Shares Liquidation Preference (see Section “8.12 Lock-up Undertakings”).

2.4.1.2 Preferred Shares

The Preferred Shares are, except as described below, identical to the Public Shares and holders of Preferred Shares have the same shareholder rights as holders of Public Shares (“**Public Shareholders**”). Further, the Preferred Shares are also under lock-up as described in Section “8.12 Lock-up Undertakings”.

In the event of (i) any insolvency or bankruptcy proceedings of BigRep, (ii) the sale of more than three-quarters of the voting shares in BigRep, (iii) the sale of the business or all or substantially all of the assets of BigRep, or (iv) the entry of BigRep into a similar business combination or extraordinary transaction with another entity or person having a comparable economic effect as the legal transactions mentioned under lit. (ii) and (iii) (the “**Liquidation Event**”), any proceeds of BigRep and any remaining value of BigRep (the “**Proceeds**”) shall be paid to the Company. In any case of distribution, repayment or redemption, each holder of Preferred Shares shall receive, from the Proceeds, an amount equal to the number of Preferred Shares held by such holder multiplied by the aggregate amount of the subscription price actually paid to the Company for such Preferred Shares at the time of issuance or allocation, less the amount of any repatriation, distribution or payment already paid, until the date of the expiration of the Public Warrants.

The holders of the Preferred Shares are entitled to a preferred dividend at a rate of 12.0% per year on the aggregate amount of the subscription price paid to the Company for such Preferred Shares at the time of issuance or allocation (the “**Preferred Dividend**”), based on quarterly periods, which shall only be paid at the Company’s annual general shareholders’ meeting to be held after the expiration of the period from the consummation of the Business Combination to five years after such date (the “**Calculation Period**”) *pro rata* to the number of Preferred Shares held by each holder of Preferred Shares and subject to (i) the fulfilment of the condition that the daily volume-weighted average price of the Public Shares on the XETRA trading system of Deutsche Börse Aktiengesellschaft has been lower than €10.00 for the Calculation Period (the “**Condition**”) and (ii) mandatory provisions of Luxembourg law. If the Condition is met and in the event the Company cannot pay the Preferred

Dividend due to mandatory provisions of Luxembourg law at the Company's annual general shareholders' meeting to be held after the expiration of the Calculation Period, (i) the Company shall redeem all Preferred Shares at a redemption price corresponding to the accounting par value of €0.0548 for each Preferred Share, and (ii) subject to the exemption to publish a listing prospectus in accordance with Article 1 para. 5 of the Prospectus Regulation being available to the Company, the Company shall issue, as the redemption consideration, 3,360,000 new Public Shares (assuming 2,100,000 Preferred Shares) at a subscription price corresponding to the accounting par value of €0.0548 for each Public Share to the respective former holders of Preferred Shares, in each case *pro rata* the Preferred Shares so redeemed, and without reserving a preferential right to subscribe for such Public Shares for the existing shareholders.

If the Condition is not met, *i.e.*, the daily volume-weighted average price of the Public Shares on XETRA trading system of Deutsche Börse Aktiengesellschaft has been above €10.00 for the Calculation Period, (i) the Company shall redeem all Preferred Shares at a redemption price corresponding to the accounting par value of €0.0548 for each Preferred Share, and (ii) subject to an exemption to publish a listing prospectus being available to the Company, the Company shall issue 2,100,000 new Public Shares at a subscription price corresponding to the accounting par value of €0.0548 for each Public Share to the respective former holder of Preferred Shares, in each case *pro rata* the Preferred Shares so redeemed, and without reserving a preferential right to subscribe for such Public Shares for the existing shareholders.

For the avoidance of doubt, the redemption price of the Preferred Shares shall correspond to the subscription price of, respectively, the new 3,360,000 Public Shares (assuming 2,100,000 Preferred Shares) and the new 2,100,000 Public Shares (assuming 2,100,000 Preferred Shares), and such new Public Shares will not be entitled to the Preferred Dividend and the subscription price of such new Public Shares shall be set off against the redemption price.

Subject to mandatory provisions of Luxembourg law, in accordance with the Articles of Association and at any time during the Calculation Period, each holder of Preferred Shares may elect to redeem a portion or all of its Preferred Shares. The Company shall issue a corresponding amount of Public Shares to such shareholder. The subscription price of such new Public Shares shall be set off against the redemption price. The issuance of the new Public Shares with regard to the redemption of the Preferred Shares may be settled by the Company either through (i) the issuance of new Public Shares by the Company through incorporation of reserves or against contributions in cash; or (ii) the transfer of Public Shares held in treasury by the Company.

The Preferred Shares are in registered form and not admitted to trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

2.4.2 Warrants

Pursuant to Article 29.4 of the Articles of Association, the Management Board has created a specific reserve in respect of the exercise of any class A warrants (the "**Public Warrants**"), and class B warrants (the "**Sponsor Warrants**") issued by the Company (the "**Warrant Reserve**") and allocated and transferred sums contributed to the share premium and/or any other distributable reserve of the Company to such Warrant Reserve. The Management Board may, at any time, fully or partially convert amounts contributed to such Warrant Reserve to pay for the subscription price of any Public Shares to be issued further to an exercise of Public Warrants or Sponsor Warrants. The Warrant Reserve is not distributable or convertible prior to the exercise, redemption or expiration of all outstanding Public Warrants and Sponsor Warrants and may only be used to pay for the Public Shares issued pursuant to the exercise of such Public Warrants and Sponsor Warrants. Thereupon, the Warrant Reserve will be a distributable reserve.

2.4.2.1 Public Warrants

The Company has issued 11,000,000 Public Warrants in connection with the Private Placement. Following a Reverse Stock Split, these now reflect 1,100,000 Public Warrants. The Public Warrants will become exercisable on the first anniversary of the consummation of the Business Combination, *i.e.*, on July 29, 2025, and will be exercisable subsequently on the first day up to and including the 14th day of June and December of each year and 14 days immediately prior to expiration. The Public Warrants will expire five years from the date of consummation of a Business Combination, *i.e.*, on July 29, 2029, or earlier upon redemption or liquidation. Except as described in more detail below, holders of Public Warrants may exercise their Public Warrants against payment in cash of the exercise price, unless the Company permits a cashless exercise. A holder of Public Warrants may exercise its warrants only for a whole number of Public Shares. In connection with the Business Combination, the exercise price was reduced from €11.50 to €7.00 (adjusted to reflect the Reverse Stock Split).

The terms and conditions of the Public Warrants are available on the Company's website (www.bigrep.com) under the "Investor Relations" section.

2.4.2.1.1 Redemption

Once the Public Warrants become exercisable, the Company may redeem the outstanding Public Warrants in the following two circumstances. The Company has established the following redemption criteria to permit a redemption call only if there is at the time of the call a significant premium to the Public Warrant exercise price or if the Company offers the possibility of a Make-Whole Exercise (as defined below).

The price of Public Shares issued upon such exercise may fall below the €18.00 or even the stated €7.00 Public Warrant exercise price after the redemption notice is issued. A decline in the price of the Public Shares will not result in the redemption notice being withdrawn or give rise to the right to withdraw an exercise notice.

2.4.2.1.1.1 Redemption of Public Warrants when the price per Public Share equals or exceeds €18.00

If, and only if, the closing price equals or exceeds €18.00 per Public Share for any 10 out of the 30 consecutive trading days ending three business days prior to the Company sending the redemption notice, the Company may redeem the Public Warrants

- in whole but not in part;
- at a price of €0.01 per Public Warrant; and
- upon a minimum of 30 days' prior written notice of redemption.

If the foregoing conditions are satisfied and the Company issues a notice of redemption of the Public Warrants, each holder of a Public Warrant will be entitled to exercise their warrant prior to the scheduled redemption date. In such case, the Public Warrants may be exercised against payment of the exercise price in cash, unless the Company permits a cashless exercise.

Upon exercise of the Public Warrants on a cash basis, the holder of a Public Warrant will receive one Public Share against payment in cash of the exercise price, as it may have been adjusted pursuant to anti-dilution adjustments as described below.

Upon exercise of the Public Warrants on a cashless basis, by contrast, a Public Warrant holder will receive in aggregate a number of Public Shares equal to the number of Public Warrants validly exercised multiplied by the quotient of (i) the volume-weighted average price of the Public Shares as appearing on Bloomberg screen page HP (setting "Weighted Average Line") or any future successor screen page or setting of the Public Shares (the "**Share Price**") during a period of 20 consecutive trading days ending on the trading day immediately preceding the date on which the exercise of the Public Warrant is validly received by the Company (except in the event that Public Warrants are exercised following the receipt of a redemption notice by the Company, in which case the period of 20 consecutive trading days shall end on the trading day immediately preceding the date on which the redemption notice is issued by the Company) (the "**Averaging Period**") minus the exercise price, as it may have been adjusted pursuant to anti-dilution adjustments as described below, divided by (ii) the Share Price during the Averaging Period.

2.4.2.1.1.2 Redemption of Public Warrants when the Price per Public Share Equals or Exceeds €10.00 but is below €18.00

If, and only if, the closing price is below €18.00 per Public Share but equals or exceeds €10.00 per Public Share for any 10 out of 30 consecutive trading days ending three business days prior to the Company sending the redemption notice, the Company may, subject to the availability of sufficient reserves to redeem the Public Warrants on a cashless basis, redeem the Public Warrants

- together and not individually;
- at a price of €0.01 per Public Warrant; and
- upon a minimum of 30 days' prior written notice of redemption.

If the foregoing conditions are satisfied and the Company issues a notice of redemption, each Public Warrant holder may exercise its Public Warrants prior to the scheduled redemption date in cash, or on a cashless basis if the Company permits.

The numbers in the table below represent the number of Public Shares that a holder of a Public Warrant will receive in case of a cashless exercise in connection with a redemption by us pursuant to this redemption feature, based on the “fair market value” of the Public Shares on the corresponding redemption date (assuming holders elect to exercise their Public Warrants and such warrants are not redeemed for €0.01 per Public Warrant), determined for these purposes based on the volume-weighted average price of the Public Shares during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of Public Warrants, and the number of months that the corresponding redemption date precedes the expiration date of the Public Warrants, each as set forth in the table below. We will provide the holders of Public Warrants with the final fair market value no later than one business day after the 10-trading day period described above ends (the “**Make-Whole Exercise**”).

The share prices set forth in the column headings of the table below will be adjusted as of any date on which the number of shares issuable upon exercise of a Public Warrant or the exercise price of a Public Warrant is adjusted as set forth under “2.4.2.1.3 *Anti-Dilution Adjustments*” below. If the number of shares issuable upon exercise of a Public Warrant is adjusted, the adjusted share prices in the column headings will equal the share prices immediately prior to such adjustment, multiplied by a fraction, the numerator of which is the number of shares deliverable upon exercise of a Public Warrant immediately prior to such adjustment and the denominator of which is the number of shares deliverable upon exercise of a Public Warrant as so adjusted. The number of shares in the table below shall be adjusted in the same manner and at the same time as the number of shares issuable upon exercise of a Public Warrant. If the exercise price of a Public Warrant is adjusted in the case of an adjustment pursuant to the second paragraph in “2.4.2.1.3 *Anti-Dilution Adjustments*” below, the adjusted share prices in the column headings will equal the unadjusted share price less the decrease in the exercise price of a warrant pursuant to such exercise price adjustment.

Fair Market Value of Public Shares									
Redemption Date (period to expiration of Public Warrants)	≤€10.00	€11.00	€12.00	€13.00	€14.00	€15.00	€16.00	€17.00	≥€18.00
60 months	0.261	0.281	0.297	0.311	0.324	0.337	0.348	0.358	0.361
57 months	0.257	0.277	0.294	0.310	0.324	0.337	0.348	0.358	0.361
54 months	0.252	0.272	0.291	0.307	0.322	0.335	0.347	0.357	0.361
51 months	0.246	0.268	0.287	0.304	0.320	0.333	0.346	0.357	0.361
48 months	0.241	0.263	0.283	0.301	0.317	0.332	0.344	0.356	0.361
45 months	0.235	0.258	0.279	0.298	0.315	0.330	0.343	0.356	0.361
42 months	0.228	0.252	0.274	0.294	0.312	0.328	0.342	0.355	0.361
39 months	0.221	0.246	0.269	0.290	0.309	0.325	0.340	0.354	0.361
36 months	0.213	0.239	0.263	0.285	0.305	0.323	0.339	0.353	0.361
33 months	0.205	0.232	0.257	0.280	0.301	0.320	0.337	0.352	0.361
30 months	0.196	0.224	0.250	0.274	0.297	0.316	0.335	0.351	0.361
27 months	0.185	0.214	0.242	0.268	0.291	0.313	0.332	0.350	0.361
24 months	0.173	0.204	0.233	0.260	0.285	0.308	0.329	0.348	0.361
21 months	0.161	0.193	0.223	0.252	0.279	0.304	0.326	0.347	0.361
18 months	0.146	0.179	0.211	0.242	0.271	0.298	0.322	0.345	0.361
15 months	0.130	0.164	0.197	0.230	0.262	0.291	0.317	0.342	0.361
12 months	0.111	0.146	0.181	0.216	0.250	0.282	0.312	0.339	0.361
9 months	0.090	0.125	0.162	0.199	0.237	0.272	0.305	0.336	0.361
6 months	0.065	0.099	0.137	0.178	0.219	0.259	0.296	0.331	0.361
3 months	0.034	0.065	0.104	0.150	0.197	0.243	0.286	0.326	0.361
0 months	--	--	0.042	0.115	0.179	0.233	0.281	0.323	0.361

The exact fair market value and redemption date may not be set forth in the table above, in which case, if the fair market value is between two values in the table or the redemption date is between two redemption dates in the table, the number of Public Shares to be issued for each Public Warrant exercised will be determined by a straight-line interpolation between the number of shares set forth for the higher and lower fair market values and the earlier and later redemption dates, as applicable, based on a 365- or 366-day year, as applicable. For example, if the volume-weighted average price of the Public Shares during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of the Public Warrants is €11.00 per share, and at such time there are 57 months until the expiration of the Public Warrants, holders may choose to, in connection with this redemption feature, exercise their Public Warrants for 0.277 Public Shares for each whole Public

Warrant. For example, where the exact fair market value and redemption date are not as set forth in the table above, if the volume-weighted average price of Public Shares during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of the Public Warrants is €13.50 per share, and at such time there are 38 months until the expiration of the Public Warrant, holders may choose to, in connection with this redemption feature, exercise their Public Warrants for 0.298 Public Shares for each whole Public Warrant. In no event will the Public Warrants be exercisable on a cashless basis in connection with this redemption feature for more than 0.361 Public Shares per Public Warrant (subject to adjustment). Finally, as reflected in the table above, if the Public Warrants are out of the money and about to expire, they cannot be exercised on a cashless basis in connection with a redemption by us pursuant to this redemption feature, since they will not be exercisable for any Public Shares.

The redemption features are structured to allow for all of the outstanding Public Warrants to be redeemed when the Public Shares are trading at or above €10.00 per Public Share. We have established this redemption feature to provide the Company with the flexibility to redeem the Public Warrants without the warrants having to reach the €18.00 per share threshold. Holders choosing to exercise their Public Warrants in connection with a redemption pursuant to this feature will, in effect, receive a number of Public Shares for their Public Warrants based on an option pricing model with a fixed volatility input as of the date of this Prospectus. This redemption right provides the Company with an additional mechanism by which to redeem all of the outstanding Public Warrants, and therefore have certainty as to our capital structure as the Public Warrants would no longer be outstanding and would have been exercised or redeemed. We will be required to pay the applicable redemption price to holders of Public Warrants if we choose to exercise this redemption right and it will allow the Company to quickly proceed with a redemption of the Public Warrants if it determines it is in the Company's best interest to do so. As such, the Company would redeem the Public Warrants in this manner when it believes it is in the Company's best interest to update the capital structure to remove the Public Warrants and pay the redemption price to the holders of Public Warrants.

No fractional Public Shares will be issued upon exercise. If, upon exercise, a holder of a Public Warrant would be entitled to receive a fractional interest in a Public Share, we will round down to the nearest whole number of the number of Public Shares to be issued to the holder. If, at the time of redemption, the Public Warrants are exercisable for a security other than the Public Shares, the Public Warrants may be exercised for such security. At such time as the Public Warrants become exercisable for a security other than the Public Shares, the Company (or surviving company) will use its commercially reasonable efforts to register the security issuable upon the exercise of the Public Warrants.

2.4.2.1.2 Settlement

The Public Warrants were issued in bearer form. Holders of book-entry interests in the Public Warrants may exercise their Public Warrants through the relevant participant in Clearstream Banking Aktiengesellschaft, Clearstream Banking S.A. and Euroclear Bank S.A./N.V. through which they hold the book-entry interests, following applicable procedures for exercise and payment. Upon issuance, the Public Shares will be credited to the accounts specified by the exercising holder.

In case of an exercise, such holder has to pay the exercise price, as it may have been adjusted pursuant to anti-dilution adjustments (as described in detail below), unless the Company permits a cashless exercise.

The holders of the Public Warrants do not have the rights or privileges of holders of Public Shares and any voting rights until they exercise the Public Warrants and receive Public Shares. After the issuance of Public Shares upon exercise of the Public Warrants, each holder will be entitled to one vote for each Share held in the general shareholders' meeting of the Company.

No fractional Public Shares will be issued upon exercise of the Public Warrants. If, upon exercise of the Public Warrants, a holder would be entitled to receive a fractional interest in a Public Share, we will, upon exercise, round down to the nearest whole number the number of Public Shares to be issued to the holder of Public Warrants.

2.4.2.1.3 Anti-Dilution Adjustments

If the number of outstanding Public Shares is increased by a share dividend payable in Public Shares, or by a split-up of Public Shares or other similar event, then, on the effective date of such share dividend, split-up or similar event, the number of Public Shares issuable on exercise of each Public Warrant will be increased in proportion to such increase in the outstanding Public Shares. A rights offering to holders of Public Shares entitling

holders to purchase Public Shares at a price less than the historical fair market value will be deemed a share dividend of a number of Public Shares equal to the product of (i) the number of Public Shares actually sold in such rights offering (or issuable under any other equity securities sold in such rights offering that are convertible into or exercisable for Public Shares) and (ii) one minus the quotient of (x) the price per Public Share paid in such rights offering and (y) the historical fair market value. For such purpose, (i) if the rights offering is for securities convertible into or exercisable for Public Shares, in determining the price payable for Public Shares, there will be taken into account any consideration received for such rights, as well as any additional amount payable upon exercise or conversion and (ii) historical fair market value means the volume-weighted average price of Public Shares as reported during the 10 trading day period ending on the trading day prior to the first date on which the Public Shares trade on the applicable exchange or in the applicable market, in a regular manner, with the right to receive such rights.

In addition, if we, at any time while the Public Warrants are outstanding and unexpired, pay a dividend to the holders of Public Shares or make a distribution in cash, securities or other assets to the holders on account of such Public Shares (or other securities into which the Public Warrants are convertible), other than (a) as described above, (b) any cash dividends or cash distributions which, when combined on a per share basis with all other cash dividends and cash distributions paid on the Public Shares during the fiscal year preceding the date of declaration of such dividend or distribution do not exceed €0.50 (as adjusted to appropriately reflect any other adjustments and excluding cash dividends or cash distributions that resulted in an adjustment to the exercise price or to the number of Public Shares issuable on exercise of each Public Warrant), but only with respect to the amount of the aggregate cash dividends or cash distributions equal to or less than €0.50 per share, (c) to satisfy the redemption rights of the holders of Public Shares in connection with a business combination, (d) to satisfy the redemption rights of the holders of Public Shares in connection with a shareholder vote to amend the Articles of Association (A) to modify the substance or timing of our obligation to redeem 100% of our Public Shares if the Company does not complete a business combination within 12 months from the date on which trading in the Public Shares formally commenced on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (the “**Business Combination Deadline**”) or (B) with respect to any other provisions relating to the rights of holders of the Public Shares, or (e) in connection with the redemption of the Public Shares upon our failure to complete a business combination, then the Public Warrant exercise price will be decreased, effective immediately after the effective date of such event, by the amount of cash and/or the fair market value of any securities or other assets paid on each Public Share in respect of such event.

If the number of outstanding Public Shares is decreased by a consolidation, combination, reverse share split or reclassification of Public Shares or other similar event, then, on the effective date of such consolidation, combination, reverse share split, reclassification or similar event, the number of Public Shares issuable on exercise of each Public Warrant will be decreased in proportion to such decrease in outstanding Public Shares.

Whenever the number of Public Shares purchasable upon the exercise of the Public Warrants is adjusted, as described above, the Public Warrant exercise price will be adjusted by multiplying the Public Warrant exercise price immediately prior to such adjustment by a fraction (x) the numerator of which will be the number of Public Shares purchasable upon the exercise of the Public Warrants immediately prior to such adjustment and (y) the denominator of which will be the number of Public Shares so purchasable immediately thereafter.

In case of any reclassification or reorganization of the outstanding Public Shares (other than those described above or that solely affects the accounting par value of such Public Shares), or in the case of any merger or consolidation of the Company with or into another corporation (other than a consolidation or merger in which the Company is the continuing corporation and that does not result in any reclassification or reorganization of our outstanding Public Shares), or in the case of any sale or conveyance to another corporation or entity of the assets or other property of the Company as an entirety or substantially as an entirety in connection with which the Company is dissolved, the holders of the Public Warrants will thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the Public Warrants and in lieu of the Public Shares immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of Public Shares or other securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a dissolution following any such sale or transfer, that the holder of the Public Warrants would have received if such holder had exercised their Public Warrants immediately prior to such event. If less than 70% of the consideration receivable by the holders of Public Shares in such a transaction is payable in the form of Public Shares in the successor entity that is listed for trading on a national securities exchange or is quoted in an established over-the-counter market, or is to be so listed for trading or quoted immediately following such event, and if the holder of the Public Warrant properly exercises the Public Warrant within 30 days following public disclosure of such transaction, the Public Warrant exercise price will be reduced based on the per share consideration minus the Black-Scholes value of the Public Warrant (as defined in the terms

and conditions of the Public Warrants). The purpose of such exercise price reduction is to provide additional value to holders of the Public Warrants when an extraordinary transaction occurs during the exercise period of the Public Warrants pursuant to which the holders of the Public Warrants otherwise do not receive the full potential value of the Public Warrants.

2.4.2.2 Sponsor Warrants

The Company has issued 20,000,000 Sponsor Warrants, which reflect 2,000,000 Sponsor Warrants following the Reverse Stock Split.

The Sponsor has agreed in the Support Agreement to forfeit such Sponsor Warrants. Following the consummation of the Business Combination, the number of Sponsor Warrants amounts to zero.

2.5 **International Securities Identification Code/German Securities Code/Common Code/Ticker Symbol**

The ISIN, German Securities Code (*Wertpapierkennnummer (WKN)*), common code and ticker symbol for the Public Shares are:

ISIN	LU2859870326
German Securities Code (<i>Wertpapierkennnummer (WKN)</i>)	A40H84
Common Code	285987032
Ticker Symbol.....	B1GR

2.6 **Form and Currency of the Public Shares**

The Public Shares are dematerialized shares and are denominated in Euros.

2.7 **Voting Rights, Dividend and Liquidation Rights**

All Public Shares are entitled to one vote in the Company’s general shareholders’ meeting. For all matters submitted to a vote of the shareholders, except as required by Luxembourg law, holders of Preferred Shares and holders of Public Shares will vote together as a single class, with each share entitling the holder to one vote. All New Public Shares carry full dividend rights from the date of their issuance. All Public Shares carry the same liquidation rights.

2.8 **Admission to the Frankfurt Stock Exchange and Commencement of Trading**

Admission to trading of the New Public Shares is expected to be granted on or about July 30, 2024, and trading in the New Public Shares is expected to commence on or about July 31, 2024. Reflecting the Reverse Stock Split that occurred prior to the consummation of the Business Combination, 2,200,000 Public Shares are already admitted to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (General Standard). From the Private Placement until the Reverse Stock Split that occurred on July 25, 2024, the ISIN of the Public Shares was LU2699152265. As a result of the Reverse Stock Split, the Public Shares trade under the ISIN LU2859870326 since start of trading on July 26, 2024. The New Public Shares and the Public Shares will trade under the same ISIN and will be fungible. The New Public Shares will be included in the existing quotation for the Public Shares on the day trading in the New Public Shares commences. Subsequently, 14,575,418 Public Shares in total (*i.e.*, Public Shares already listed and New Public Shares) will be admitted to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (General Standard).

2.9 **Auditor Report Concerning the Contribution In-Kind**

Forvis Mazars Luxembourg S.A., with registered office at 5, Rue Guillaume J. Kroll, L-1882 Luxembourg, Luxembourg, and registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B 159962, the Company’s independent auditor, prepared a contribution in-kind report in relation to the issuance by the Company of New Public Shares in accordance with articles 420-10 and 420-23(6) of the Luxembourg Company Law, which is reprinted in this Prospectus on pages V-1 *et seq.* Forvis Mazars Luxembourg S.A.– *Cabinet de révision agréé* is a member of the Institute of Registered Auditors (*Institut des Réviseurs d’Entreprises*) which is the Luxembourg member of the

International Federation of Accountants and is registered in the public register of approved audit firms held by the CSSF as competent authority for public oversight of approved statutory auditors and audit firms.

2.10 Listing Agent

Baader Bank Aktiengesellschaft (LEI 529900JFOPPEDUR61H13), a stock corporation (*Aktiengesellschaft*) incorporated under the laws of Germany with its seat in Unterschleißheim, Germany, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Munich under HRB 121537 with its registered office at Weißenstephaner Strasse 4, 85716 Unterschleißheim, Germany will act as listing agent (the “**Listing Agent**”) in respect of the listing of the New Public Shares on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

2.11 Designated Sponsor

Baader Bank Aktiengesellschaft acts as designated sponsor for the Public Shares. Its address is Weißenstephaner Strasse 4, 85716 Unterschleißheim, Germany. Pursuant to the designated sponsor agreement, Baader Bank Aktiengesellschaft will, among other things, place limited buy and sell orders for the Company’s shares in the electronic trading system of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) during regular trading hours. This is intended to achieve greater liquidity in the market for the Company’s shares.

2.12 Luxembourg Paying Agent and LuxCSD Principal Agent

The Luxembourg paying agent and LuxCSD S.A., 42 Avenue John F. Kennedy, L-1855 Luxembourg, Luxembourg (“**LuxCSD**”) principal agent for the Company’s shares is Banque Internationale à Luxembourg S.A. (the “**LuxCSD Principal Agent**”). The mailing and registered address of the LuxCSD Principal Agent is 69 Route d’Esch, L-2953 Luxembourg, Luxembourg. The Luxembourg paying agent is appointed by the Company to process the cash payments to be made by the Company in relation to its securities. The LuxCSD Principal Agent is appointed by the Company in order to ensure compliance with the LuxCSD operational requirements. Such appointment is required for eligibility of a security in LuxCSD.

2.13 Cost of the Listing

The costs related to the listing of the New Public Shares are estimated to total approximately €5.1 million. Investors will not be charged with expenses by the Company or the Listing Agent.

2.14 Sources of Market Data

Unless otherwise specified, the information contained in this Prospectus on the market environment, market developments, growth rates, market trends and competition in the markets in which BigRep operates are based on the Company’s own assessments.

The following sources were used in the preparation of this Prospectus:

- AMPOWER Report 2024, Additive Manufacturing Market Report (“**AMPOWER Report 2024**”);
- Context Research, Additive Manufacturing 3D Printing Report Market Briefing, April 20/21, 2023 (“**Context Research**”);
- S&P Global Market Intelligence, S&P Capital IQ, (<https://www.capitaliq.spglobal.com/>) (“**S&P Capital IQ**”);
- Sculpteo, The State of 3D Printing, 2021 Edition (<https://info.sculpteo.com/hubfs/downloads/The%20State%20of%203D%20Printing%202021.pdf>) (“**Sculpteo**”); and
- Wohlers Report 2023, 3D Printing and Additive Manufacturing, Global State of the Industry (“**Wohlers Report 2024**”).

It should be noted, in particular, that reference has been made in this Prospectus to information concerning markets and market trends. Such information was obtained from different, publicly available sources. The Company has accurately reproduced such information and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. Nevertheless, given the rapidly evolving market in which the

Company operates, the market or the Company's positions may evolve differently from the projections included in this Prospectus and some information may prove to be outdated. Additionally, the Company's activities may evolve differently from the projections included in this Prospectus.

Therefore, prospective investors are advised to consider these data with caution and not place any reliance on the industry and market data included in this Prospectus. For example, market studies are often based on information or assumptions that may not be accurate or appropriate, and their methodology is inherently predictive and speculative.

Irrespective of the assumption of responsibility for the content of this Prospectus by the Company (see Section "2.1 Responsibility Statement"), the Company has not independently verified the figures, market data or other information on which third parties have based their studies. Accordingly, the Company makes no representation or warranty as to the accuracy of any such information from third-party studies included in this Prospectus. In addition, prospective investors should note that the Company's own estimates and statements of opinion and belief are not always based on studies of third parties.

The Company undertakes no obligation to publish any updates to the market information contained in this Prospectus unless required by law or stock exchange regulation.

2.15 Currency Presentation

In this Prospectus, "Euro" and "€" refer to the single European currency adopted by certain participating member states of the European Union (the "EU"), including Germany.

2.16 Forward-Looking Statements

This Prospectus contains forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts or events or to facts or events as of the date of this Prospectus. This applies, in particular, to statements in this Prospectus containing information on our future earnings capacity, plans and expectations regarding our business and the general economic conditions to which we are exposed. Statements made using words such as "predicts", "forecasts", "projects", "plans", "intends", "endeavors", "expects" or "targets" indicate forward-looking statements.

The forward-looking statements contained in this Prospectus are subject to opportunities, risks and uncertainties, as they relate to future events, and are based on estimates and assessments made to the best of the Company's present knowledge. These forward-looking statements are based on assumptions, uncertainties and other factors, the occurrence or non-occurrence of which could cause our actual results, including our financial condition and profitability, to differ materially from those expressed or implied in the forward-looking statements. These expressions can be found in various sections of this Prospectus, including wherever information is contained in this Prospectus regarding our plans, intentions, beliefs, or current expectations relating to our future financial condition and results of operations, plans, liquidity, business prospects, growth, strategy and profitability, investments and capital expenditure requirements, future growth in demand for our products as well as the economic and regulatory environment to which we are subject.

Future events mentioned in this Prospectus may not occur. Actual results, performance or events may turn out to be better or worse compared to the results, performance and events described in the forward-looking statements, in particular due to:

- changes in general economic conditions, including changes to the economic growth rate, political changes, changes in the unemployment rate, the level of consumer prices and wage levels;
- our ability to manage our growth and planned geographic expansion effectively;
- fluctuations in interest and currency exchange rates;
- changes in the competitive environment and in the level of competition;
- our ability to comply with applicable laws and regulations, in particular if such laws and regulations change, are abolished and/or new laws and regulations are introduced;
- our ability to maintain and enhance our reputation;
- the occurrence of accidents, natural disasters, fires, environmental damages or systemic delivery failures; and

- our ability to attract and retain qualified personnel.

Moreover, it should be noted that all forward-looking statements only speak as of the date of this Prospectus and that the Company assumes no obligation, except as required by law, to update any forward-looking statement or to conform any such statement to actual events or developments.

Section “1. Risk Factors” contains a detailed description of various risks applicable to our business, the industry in which we operate, our management and potential conflicts of interest, our regulatory, legal and tax environment, the Public Shares and the Business Combination and the other factors that could adversely affect the actual outcome of the matters described in the Company’s forward looking statements.

2.17 Documents Available for Inspection

For the period during which this Prospectus is valid, the following documents will be available on the Company’s website www.bigrep.com under the “Investor Relations” section:

- the up to date articles of association of SMG Technology;
- the up to date articles of association of BigRep;
- the financial statements of the Company and BigRep;
- the Business Combination Agreement; and
- the auditor report concerning the contribution in-kind relating to the acquisition of all outstanding equity of BigRep by SMG Technology, in exchange for a consideration consisting of shares in SMG Technology.

The Company’s future annual and interim reports will be available on the Company’s website (www.bigrep.com) under the “Investor Relations” section. In accordance with the Luxembourg Company Law, the annual financial accounts are also filed with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés de Luxembourg*) and published in the Luxembourg Official Gazette (*Recueil Électronique des Sociétés et Associations*, “RESA”).

This Prospectus contains certain references to websites. The information on these websites does not form part of this Prospectus and has not been scrutinized or approved by the CSSF in its capacity as competent authority for the approval of publication of this Prospectus.

2.18 Alternative Performance Measures

This Prospectus contains the following measures that are not defined or required measures of financial performance under International Financial Reporting Standards as adopted by the EU (“IFRS”) or generally accepted accounting principles of the German Commercial Code (*Handelsgesetzbuch*) (together with other applicable laws, “German GAAP”), or any other internationally accepted accounting principles, but have been prepared on the basis of IFRS figures or German GAAP figures (collectively, the “APMs”), and should not be considered as an alternative to cash flow from operating activities as a measure of liquidity or as an alternative to net income as an indicator of our operating performance or any other measures of performance derived in accordance with IFRS.

In accordance with the European Securities and Markets Authority (ESMA) Guidelines on alternative performance measures of October 5, 2015 (the “ESMA Guidelines”), the following section sets out information related to such APMs, which the Company regards as alternative performance measures within the meaning of the ESMA Guidelines.

You should use caution when reviewing our APMs. You should not regard them as:

- an absolute measure of our consolidated financial performance or liquidity;
- alternatives to revenue, group profit or any other performance measures prepared in accordance with IFRS; or
- an alternative to cash flow from operating activities as a measure of our consolidated cash flows or liquidity.

In addition, other companies that present APMs may present these figures on a basis different to ours. You should not regard our APMs as comparable with measures reported by other companies, even if those other measures are similarly named.

The Company defines each of the following consolidated APMs as follows:

APM	Definition	Relevance of its use
“Gross Margin”	Gross Margin is calculated as revenue from contracts with customers less costs of materials, divided by revenue from contracts with customers.	We use Gross Margin to measure our profitability.
“EBITDA”	EBITDA is calculated as earnings before interest, taxation, depreciation and amortization.	EBITDA helps our investors monitor whether we are able to improve the performance of our underlying operations.
“EBITDA Margin”	EBITDA Margin is calculated as earnings before interest, taxation, depreciation and amortization (EBITDA) divided by revenue from contracts with customers.	We use EBITDA Margin to assess our current performance against our medium-term strategic goals.
“EBIT”	EBIT is calculated as earnings before interest and taxation.	We use EBIT to analyze the performance of our core operations.
“Lifetime Value”	Lifetime Value is calculated as revenue from contracts with customers minus the revenue from the product category “Printers”.	Lifetime Value helps us measure the success of our holistic approach, <i>i.e.</i> offering AM solutions comprising reliable German-engineered hardware, tailored materials, intelligent software, and a wide variety of services.

We present APMs because we use them to measure our operating performance and as a basis for our strategic planning, and because we believe that it is frequently used by analysts, investors and other interested parties in evaluating companies in our industry and it may contribute to a more comprehensive understanding of our business. However, such non-IFRS financial information may not be comparable to similarly titled information published by other companies, may not be suitable for an analysis of our business and operations, and should not be considered as a substitute for an analysis of our operating results prepared in accordance with IFRS. We believe that the presentation of non-IFRS financial information included in this Prospectus complies with the ESMA Guidelines.

2.18.1 Gross Margin

The following table shows the reconciliation of our Gross Margin for the periods indicated:

	For the fiscal year ended December 31,		
	2023	2022	2021
	(audited, unless otherwise indicated) (in € thousand)		
Revenue from contracts with customers	11,229	9,062	7,499
Cost of materials	(5,683)	(4,475)	(4,390)
Gross Margin (%)⁽¹⁾⁽²⁾	49%⁽¹⁾	51%⁽¹⁾	41%⁽¹⁾

(1) Unaudited.

(2) Gross Margin is calculated as revenue from contracts with customers less costs of materials, divided by revenue from contracts with customers.

2.18.2 EBITDA

The following table shows the calculation of our EBITDA for the periods indicated:

	For the fiscal year ended December 31,		
	2023	2022	2021
	(audited)		
	(in € thousand)		
Revenue from contracts with customers.....	11,229	9,062	7,499
Other income.....	568	2,407	550
Own work capitalized.....	2,050	1,746	1,826
Cost of materials.....	(5,683)	(4,475)	(4,390)
Personnel expenses.....	(7,690)	(6,894)	(6,642)
Other expenses.....	(5,460)	(3,954)	(2,803)
EBITDA.....	(4,986)	(2,108)	(3,960)

2.18.3 EBITDA Margin

The following table shows the reconciliation of our EBITDA Margin for the periods indicated:

	For the fiscal year ended December 31,		
	2023	2022	2021
	(audited, unless otherwise indicated)		
	(in € thousand)		
EBITDA.....	(4,986)	(2,108)	(3,960)
Revenue from contracts with customers.....	11,229	9,062	7,499
EBITDA Margin (%)⁽¹⁾⁽²⁾.....	44%⁽¹⁾	(23)%⁽¹⁾	(53)%⁽¹⁾

(1) Unaudited.

(2) EBITDA Margin is calculated as earnings before interest, taxation, depreciation and amortization (EBITDA) divided by revenue from contracts with customers.

2.18.4 EBIT

The following table shows the calculation of our EBIT for the periods indicated:

	For the fiscal year ended December 31,		
	2023	2022	2021
	(audited)		
	(in € thousand)		
Revenue from contracts with customers.....	11,229	9,062	7,499
Other income.....	568	2,407	550
Own work capitalized.....	2,050	1,746	1,826
Cost of materials.....	(5,683)	(4,475)	(4,390)
Personnel expenses.....	(7,690)	(6,894)	(6,642)
Other expenses.....	(5,460)	(3,954)	(2,803)
Depreciation expenses.....	(825)	(884)	(1,037)
Amortization expenses.....	(1,486)	(1,679)	(1,951)
Operating result (EBIT).....	(7,297)	(4,671)	(6,947)

2.18.5 Lifetime Value

The following table shows the reconciliation of our Lifetime Value for the periods indicated:

	For the fiscal year ended December 31,		
	2023	2022	2021
	(audited)		
	(in € thousand)		
Revenue from contracts with customers.....	11,229	9,062	7,499
Revenue from the product category "Printers".....	6,762	5,927	5,665

	For the fiscal year ended December 31,		
	2023	2022	2021
		(audited)	
		(in € thousand)	
Lifetime Value⁽¹⁾⁽²⁾	4,467⁽¹⁾	3,135⁽¹⁾	1,834⁽¹⁾

(1) Unaudited.

(2) Lifetime Value is calculated as revenue from contracts with customers minus the revenue from the product category “Printers”.

3. REASONS FOR THE ADMISSION TO TRADING AND USE OF PROCEEDS

3.1 Background to and Reasons for the Admission to Trading

SMG Technology (renamed to BigRep SE), *i.e.*, the Company, pursues this admission to trading primarily, to admit the New Public Shares, *i.e.*, the Consideration Shares and the Conversion Shares, to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (General Standard). In addition, the Company believes that by becoming a publicly listed company, it will achieve better access to the capital markets and expects that the admission to trading of the New Public Shares creates a new long-term shareholder base as well as further liquidity for its shareholders.

3.2 Use of Proceeds

This Prospectus does not relate to an offering of shares. We intend to use the gross proceeds we receive as a result of the Business Combination to cover the fees and expenses associated with consummating the Business Combination and, with respect to our Group companies, in particular, BigRep reinforcing our working capital buffer and strengthening our balance sheet, investments in our business, such as, among others, the acceleration of marketing expenses and providing strategic flexibility for new business lines and potential M&A opportunities.

4. EARNINGS AND DIVIDENDS PER SHARE, DIVIDEND POLICY

4.1 General Rules on Allocation of Profits and Dividend Payments

The shareholders' entitlement to profits is determined based on their respective interests in the Company's share capital and the distribution rights attached to each share class as set out in the Articles of Association.

Distributions of dividends for a given fiscal year, and the amount and payment date thereof, are decided by the general shareholders' meeting, which shall determine how the remainder of the Company's profits shall be used in accordance with the law and the Articles of Association upon recommendation of the Management Board.

At the end of each fiscal year, the accounts are closed and the Management Board draws up an inventory of the Company's assets and liabilities, the statement of financial position and the statement of comprehensive income in accordance with the Luxembourg Company Law.

Dividends may only be distributed from the Company's distributable amounts. Subject to the conditions provided for by Luxembourg Company Law, the amount of distributable amounts is equivalent to the amount of the profits at the end of the last fiscal year plus any profits carried forward and any amounts drawn from reserves or share premium which are available for that purpose, minus any losses carried forward and sums to be placed in reserves in accordance with the law or the Articles of Association.

Any dividend distribution from the distributable capital reserve is subject to the availability of distributable cash on the unconsolidated balance sheet of the Company.

In accordance with Luxembourg Company Law and the Articles of Association, the Company must allocate at least 5% of any annual net profit to a legal reserve account. Such contribution ceases to be compulsory as soon as and as long as the legal reserve reaches 10% of the Company's subscribed share capital but shall again be compulsory if the legal reserve falls below such 10% threshold. Sums contributed to a reserve of the Company may also be allocated to the legal reserve. In case of a share capital reduction, the Company's legal reserve may be reduced in proportion so that it does not exceed 10% of the Company's share capital. The legal reserve of the Company amounted to zero as of December 31, 2023.

In accordance with Article 461-1 of the Luxembourg Company Law and the Articles of Association, the remainder of any net profit is at the disposal of the general shareholders' meeting to be allocated as appropriate to a reserve, a provision fund, to be carried forward and/or to be distributed equally between all the shares, as the case may be, together with profits carried forward, distributable reserves and share premium. Subject to the conditions provided for by Luxembourg Company Law, Article 29 of the Articles of Association also authorizes the Management Board to make interim payments on accounts of dividends for a particular fiscal year to be deducted from profits or the available reserves. The Management Board must determine the amount and the date of payment of any such interim payments.

Regarding Preferred Dividends payable in relation to Preferred Shares, see Section "2.4.1.2 Preferred Shares".

The Company does not have any dividend restrictions and special procedures for non-resident holders.

Details concerning any dividends resolved by the general shareholders' meeting will be published on the Company's website (www.bigrep.com) under the "Investor Relations" section.

The payment of the dividends to a depositary operating principally with a settlement organization in relation to transactions on securities, dividends, interest, matured capital or other matured monies of securities or of other financial instruments being handled through the system of such depositary discharges the Company. Said depositary shall distribute these funds to his depositors according to the amount of securities or other financial instruments recorded in their name.

Dividends, which have not been claimed within 5 years after the date on which they became due and payable, will revert back to the Company.

4.2 Limitations on Dividend Payments

The Company is a holding company, which has no direct operations other than the holding of investments in other Group companies. The only source of funds that the Company will have at its disposal for the payment of dividends (including interim dividends), if any, will be dividends and other payments received from its subsidiaries in the form of, amongst others, loans granted, notes purchased by its subsidiaries or repayments of capital. The ability of each subsidiary to pay dividends or make such other payments is determined individually and in accordance with applicable law, including the capital requirements to which such subsidiary is subject.

4.3 Dividend Policy and Earnings per Share

The Company does not have a dividend policy and BigRep did not have a dividend policy prior to the Business Combination. The Company currently intends to retain all available funds and any future earnings to support its operations and to finance the growth and development of its business. Therefore, the Company currently does not intend to pay dividends for the foreseeable future. Any future decision to pay dividends will be made in accordance with applicable laws and will, among other things, depend on our results of operations, financial condition, contractual restrictions and capital requirements. Regarding Preferred Dividends payable in relation to Preferred Shares, see Section “2.4.1.2 Preferred Shares”.

The tax legislation of the shareholders’ member states and/or other relevant jurisdictions and of the Company’s country of incorporation may have an impact on the income received from the Public Shares.

See Sections “21. Taxation in Luxembourg” and “22. Taxation in Germany” for an overview of the material tax consequences of the acquisition, holding, settlement, redemption and disposal of Public Shares and Public Warrants. Dividend payments are generally subject to withholding tax in Luxembourg.

4.4 Dividend Declared on the Shares

No distributions of profits or reserves were made by SMG Technology or BigRep to their shareholders since their incorporation.

4.5 Manner and Time of Dividend Payments

The payment of the dividends to a depository operating principally with a settlement organization in relation to transactions on securities, dividends, interest, matured capital or other matured monies of securities or of other financial instruments being handled through the system of such depository discharges the Company. Said depository shall distribute these funds to his depositors according to the amount of securities or other financial instruments recorded in their name. The Luxembourg Company Law and Article 28.9 of the Articles of Association further provides that claims for dividends lapse in favor of the Company five years after the date on which such dividends were declared.

5. CAPITALIZATION AND INDEBTEDNESS; STATEMENT ON WORKING CAPITAL

Investors should read this section in conjunction with “9. Management’s Discussion and Analysis of Net Assets, Financial Condition and Results of Operations of SMG Technology Group”, “10. Management’s Discussion and Analysis of Net Assets, Financial Condition and Results of Operations of BigRep” and the financial statements included in this Prospectus.

5.1 Capitalization

The following table sets forth (a) the capitalization of SMG Technology Group, BigRep Group and the sum of SMG Technology Group and BigRep Group as of May 31, 2024, (b) adjustments for (i) the capital reorganization, and (ii) other adjustments, and (c) total numbers as adjusted for these effects.

	SMG Technology Group as of May 31, 2024	BigRep as of May 31, 2024	Sum total before adjustments ⁽¹⁾	Adjustments to reflect the capital reorganization ⁽²⁾	Other adjustments ⁽³⁾	Sum total after adjustments
			(unaudited) (in € thousand)			
Total current debt	30,994	11,017	42,011	(11,835)	(105)	30,071
Thereof guaranteed	–	–	–	–	–	–
Thereof secured	–	–	–	–	–	–
Thereof unguaranteed/unsecured	30,994	11,017	42,011	(11,835)	(105)	30,071
Total non-current debt	–	3,354	3,354	–	–	3,354
Thereof guaranteed	–	–	–	–	–	–
Thereof secured	–	–	–	–	–	–
Thereof unguaranteed/unsecured	–	3,354	3,354	–	–	3,354
Total shareholder’s equity ...	(8,153)	(2,154)	(10,307)	10,930	(2,656)	(2,033)
Share capital.....	120	666	786	(109)	–	677
Legal reserve.....	–	–	–	–	–	–
Other reserves	(8,273)	(2,820)	(11,093)	11,039	(2,656)	(2,710)
Total	22,841	12,217	35,058	(905)	(2,761)	31,392

(1) Reflects the sum of unaudited financial positions of SMG Technology Group and BigRep Group before adjustments as of May 31, 2024.

(2) Reflects the adjustments related to the Business Combination, accounted for as a capital reorganization, between SMG Technology Group and BigRep Group, after reflection of the redemption notices received by SMG Technology Group by July 23, 2024, 6.00 p.m. CET, including:

- the contribution, by HAGE Holding GmbH, of all shares in HAGE3D to BigRep immediately prior to the consummation of the Business Combination. In exchange BigRep will issue 106,074 new ordinary shares with par value of €1.00 to HAGE Holding GmbH;
- the issuance, by SMG Technology Group, of 8,625,418 Public Shares with a par value of €0.0548 per share to the existing shareholders of BigRep in exchange of all of their shares in BigRep;
- the issuance of 1,560,000 new Sponsor Shares to be subscribed against payment of their accounting par value of €0.0548 each;
- the issuance of 2,100,000 Preferred Shares with a par value of €0.0548 per share to certain Public Shareholders in exchange of 2,100,000 Public Shares, previously held by these Public Shareholders;
- the redemption of 95,262 Public Shares prior to the consummation of the Business Combination at a redemption price of €10.00 per share;
- the reclassification, in accordance with IFRS, of Public Shares from “Liabilities” to “Equity” as the redemption option on the Public Shares expires after the Business Combination;
- the cancellation, against no consideration, of 2,000,000 Sponsor Warrants as calculated pursuant to Section 2.3 of the amended Business Combination Agreement with effect as of the consummation of the Business Combination;
- the inclusion of additional loans granted in 2024 to BigRep by certain BigRep Shareholders;
- the settlement in cash of €1,500,000 expected to settle the liability arising from ESOP 2015 and ESOP 2017, and settlement through the distribution, by BigRep Shareholders, of part of the Consideration Shares (8,625,418 Public Shares), to the ESOP 2017 option holders, in exchange of their options; and
- the inclusion of the estimated expense under IFRS 2, for the excess of the fair value of shares deemed issued over the fair value of SMG Technology’s identifiable net assets, after the pro forma adjustments in relation to the Private Placement and other adjustments in relation to the Business Combination have been taken into account.

(3) Reflects other adjustments related to the Business Combination including:

- the transfer of proceeds (€22,000,000) from the issue of Public Shares and Public Warrants (as part of the Private Placement) to the escrow account, interest earned on escrow account up to release, and release from the escrow account as part of the consummation of the Business Combination;
- the inclusion of transactions costs in relation to the deferred listing commissions; and
- the inclusion of transactions costs in relation to the Business Combination which were not yet included in SMG Technology's and BigRep's accounts at May 31, 2024.

5.2 Indebtedness

The following table sets forth (a) the indebtedness of SMG Technology Group, BigRep Group and the sum of SMG Technology Group and BigRep Group as of May 31, 2024, (b) adjustments for (i) the capital reorganization, and (ii) other adjustments and (c) total numbers as adjusted for these effects.

Except as otherwise disclosed in the following table, the Group did not have any long-term or short-term indebtedness as of May 31, 2024.

	SMG Technology Group as of May 31, 2024	BigRep as of May 31, 2024	Sum total before adjustments ⁽¹⁾	Adjustments to reflect the capital reorganization ⁽²⁾	Other adjustments ⁽³⁾	Sum total after adjustments
				(unaudited) (in € thousand)		
A. Cash	448	156	604	(1,369)	19,657	18,892
B. Cash equivalents.....	–	–	–	–	–	–
C. Other current financial assets	22,259	33	22,292	–	(22,060)	232
D. Liquidity (A)+(B)+(C)....	22,707	189	22,896	(1,369)	(2,403)	19,124
E. Current financial debt (including debt instruments, but excluding current portion of non- current financial debt)	29,078	5,963	35,041	(10,871)	(105)	24,065
F. Current portion of non- current financial debt.....	–	–	–	–	–	–
G. Current financial indebtedness (E)+(F)	29,078	5,963	35,041	(10,871)	(105)	24,065
H. Net current financial indebtedness (G)-(D)	6,371	5,774	12,145	(9,502)	2,298	4,941
I. Non-current financial debt (excluding current portion and debt instruments)	–	3,328	3,328	–	–	3,328
J. Debt instruments	–	–	–	–	–	–
K. Non-current trade and other payables.....	–	–	–	–	–	–
L. Non-current financial indebtedness (I)+(J)+(K)	–	3,328	3,328	–	–	3,328
M. Total financial indebtedness (H)+(L)	6,371	9,102	15,473	(9,502)	2,298	8,269

(1) Reflects the sum of unaudited financial positions of SMG Technology Group and BigRep Group before adjustments as of May 31, 2024.

(2) Reflects the adjustments related to the Business Combination, accounted for as a capital reorganization, between SMG Technology Group and BigRep Group, after reflection of the redemption notices received by SMG Technology Group by July 23, 2024, 6.00 p.m. CET, including:

- the contribution, by HAGE Holding GmbH, of all shares in HAGE3D to BigRep immediately prior to the consummation of the Business Combination. In exchange BigRep will issue 106,074 new ordinary shares with par value of €1.00 to HAGE Holding GmbH;
- the issuance, by SMG Technology, of 8,625,418 Public Shares with a par value of €0.0548 per share to the existing shareholders of BigRep in exchange of all of their shares in BigRep;
- the issuance of 1,560,000 new Sponsor Shares to be subscribed against payment of their accounting par value of €0.0548 each;
- the issuance of 2,100,000 Preferred Shares with a par value of €0.0548 per share to certain Public Shareholders in exchange of 2,100,000 Public Shares, previously held by these Public Shareholders;
- the redemption of 95,262 Public Shares prior to the consummation of the Business Combination at a redemption price of €10.00 per share;

- the reclassification, in accordance with IFRS, of Public Shares from “Liabilities” to “Equity” as the redemption option on the Public Shares expires after the Business Combination;
 - the cancellation, against no consideration, of 2,000,000 Sponsor Warrants as calculated pursuant to Section 2.3 of the amended Business Combination Agreement with effect as of the consummation of the Business Combination;
 - the inclusion of additional loans granted in 2024 to BigRep by certain BigRep Shareholders;
 - the settlement in cash of €1,500,000 expected to settle the liability arising from ESOP 2015 and ESOP 2017, and settlement through the distribution, by BigRep Shareholders, of part of the Consideration Shares (8,625,418 Public Shares), to the ESOP 2017 option holders, in exchange of their options; and
 - the inclusion of the estimated expense under IFRS 2, for the excess of the fair value of shares deemed issued over the fair value of SMG Technology’s identifiable net assets, after the pro forma adjustments in relation to the Private Placement and other adjustments in relation to the Business Combination have been taken into account.
- (3) Reflects other adjustments related to the Business Combination including:
- the transfer of proceeds (€22,000,000) from the issue of Public Shares and warrants (as part of the Private Placement) to the escrow account, interest earned on escrow account up to release, and release from the escrow account as part of the consummation of the Business Combination;
 - the inclusion of transactions costs in relation to the deferred listing commissions; and
 - the inclusion of transactions costs in relation to the Business Combination which were not yet included in SMG Technology’s and BigRep’s accounts at May 31, 2024.

5.3 Contingent and Indirect Liabilities

The Company did not have any contingent or indirect liabilities as of the date of this Prospectus.

5.4 Statement on Working Capital

The Company is of the opinion that the Group has sufficient working capital to meet its due payment obligations for at least a period of 12 months from the date of this Prospectus.

With the consummation of the Business Combination, the Company has access to the proceeds in the Escrow Account and the working capital of BigRep, as well as the ability to borrow additional funds due to an expected better credit scoring. However, the Company has no specific plans to borrow additional funds. The Company is of the opinion and confident that these proceeds will provide the Company access to sufficient working capital on an ongoing basis.

6. DILUTION

Investors in the Public Shares may experience dilution in case holders of Public Warrants and exercise their rights under the warrants. The Company has issued 11,000,000 Public Warrants as part of the Private Placement, reflecting 1,100,000 Public Warrants following the Reverse Stock Split. The Public Warrants have a stated exercise price of €7.00. In addition, investors in the Public Shares may also experience dilution in case the Preferred Shares are redeemed against issuance of new Public Shares. Subject to certain conditions described in Section “8.13.1 Lock-up and Divestment Agreement”, 2,100,000 Preferred Shares may be redeemed against issuance of 3,360,000 new Public Shares. This section illustrates the potential dilution to investors.

The net asset value (*i.e.*, total assets less total non-current liabilities and total current liabilities) of the Company after the consummation of the Business Combination (the “**Net Asset Value Post Business Combination**”) as stated below is derived from the Company’s unaudited pro forma consolidated statement of financial position as of and for the fiscal year ended December 31, 2023 and includes the effects from the redemption of 2,195,267 Public Shares (including 2,100,000 Public Shares redeemed in return for the subscription of an equal number of Preferred Shares) in connection with the Business Combination.

The diluted net asset value per Public Share after the Business Combination is calculated by dividing the Net Asset Value Post Business Combination (the numerator) by the respective number of Public Shares (the denominator).

6.1 Dilution from the Exercise of Public Warrants

The table below shows the dilutive effect on the net asset value that would arise if all Public Warrants are exercised in cash at an exercise price of €7.00.

Numerator

Net Asset Value Post Business Combination	€3,594,000
<i>Plus: Proceeds from Public Warrants</i>	<i>€7,700,000</i>
Net asset value post Business Combination after warrant exercise	€11,294,000

Denominator

Public Shares outstanding post Business Combination (excluding treasury shares and Preferred Shares)	12,380,151
<i>Plus: Exercised Public Warrants</i>	<i>1,100,000</i>
Public Shares outstanding post Business Combination after warrant exercise (excluding treasury shares and Preferred Shares)	13,480,151

<u>Dilutive effect of the exercise of the warrants</u>	<u>Diluted basis</u>
Net asset value per Public Share post Business Combination before exercise of any warrants	€0.29
Net asset value per Public Share post Business Combination after exercise of all warrants for €7.00 per warrant	€0.84

6.2 Dilution from the Redemption of Preferred Shares

The table below shows the dilutive effect on the net asset value that would arise if all 2,100,000 Preferred Shares are redeemed against issuance of 3,360,000 Public Shares.

Numerator

Net Asset Value Post Business Combination	€3,594,000
<i>Plus: Proceeds from issue of new Public Shares</i>	–
Net asset value post Business Combination after redemption of Preferred Shares and issue of new Public Shares	€3,594,000

Denominator

Public Shares outstanding post Business Combination (excluding treasury shares and Preferred Shares)	12,380,151
<i>Plus: (New public shares following redemption of Preferred Shares)</i>	<i>3,360,000</i>
Public Shares outstanding post Business Combination after redemption of Preferred Shares against issue of new Public Shares	15,740,151
<u>Dilutive effect of the exercise of the Preferred Shares</u>	<u>Diluted basis</u>
Net asset value per Public Share post Business Combination before redemption of any Preferred Shares and issue of new Public Shares.....	€0.29
Net asset value per Public Share post Business Combination after redemption of all Preferred Shares and issue of new Public Shares	€0.23

6.3 Dilution of Participation in Share Capital and Voting Rights

After the consummation of the Business Combination, the Public Shareholders hold approximately 85.5% of the share capital in the Company (excluding treasury shares). Assuming an exercise of all Public Warrants in cash as well as the redemption of all 2,100,000 Preferred Shares against issuance of 3,360,000 new Public Shares, the Public Shareholders will hold approximately 73.5% of the share capital in the Company (excluding treasury shares).

As all shares in the Company carry the same individual voting rights, the dilution of voting rights equals the dilution of the share capital in the Company.

7. BUSINESS COMBINATION

7.1 General

On December 20, 2023, SMG Technology, BigRep, the shareholders of BigRep owning 100% of BigRep's share capital (the "**BigRep Shareholders**"), HAGE Holding GmbH ("**HAGE Holding**") and BSL BigRep Service GmbH ("**BSL**") entered into the Business Combination Agreement (with the amendment agreement to the Business Combination Agreement dated May 28, 2024) and ancillary agreements, which provide for, among other things, the contribution of all shares in BigRep into SMG Technology by the BigRep Shareholders in exchange for New Public Shares.

For more information about the transactions contemplated by the Business Combination Agreement, please see Section "8. *Business Combination Agreement and Ancillary Documents*".

7.2 Effect of the Transactions on Existing SMG Technology Equity in the Business Combination

Subject to the terms and conditions of the Business Combination Agreement and ancillary agreements, the Business Combination results in (i) 8,625,418 New Public Shares to BigRep's Shareholders, as well as (ii) 1,560,000 additional Sponsor Shares from its authorized capital under Luxembourg law.

3,750,000 Sponsor Shares, *i.e.*, all outstanding Sponsor Shares, automatically converted into Public Shares in connection with the consummation of the Business Combination.

In addition, 2,100,000 Public Shares of certain shareholders of SMG Technology are redeemed by the respective shareholders for a price calculated in accordance with the SMG Technology's articles of association, subject to the condition precedent that such shareholder subscribes for an equal number of Preferred Shares as it has redeemed, which the Company issues, in accordance with the Luxembourg Company Law, from its authorized capital under Luxembourg law.

7.3 Treatment of BigRep's Existing Virtual Share Programs

BigRep maintained two virtual employee incentive programs, the ESOP 2015 ("**ESOP 2015**") and the ESOP 2017 ("**ESOP 2017**") and together with the ESOP 2015, the "**Existing ESOPs**") under which options for the issuance of a total of 93,100 BigRep shares have been allocated to beneficiaries of which 79,600 options have been vested as of the date of the Business Combination Agreement.

Under the Business Combination Agreement, BigRep has agreed to terminate the Existing ESOPs with effect as of the closing of the Business Combination. To settle all outstanding claims under the Existing ESOPs, immediately following the closing of the Business Combination, (i) BigRep shall pay the beneficiaries under the ESOP 2015 in cash; and (ii) BigRep shall transfer the ESOP 2017 Shares (as defined below) and the Management Incentive Shares (as defined below) through BSL, which will become a subsidiary of BigRep and which acts as trustee for BigRep under the ESOP 2017 and BigRep shall make an additional cash payment to the beneficiaries of the ESOP 2017. The aggregate amount of all cash payments of BigRep under the Existing ESOPs shall equal €1,500,000.

Immediately following the closing of the Business Combination and within the context of the ESOP Share Transfer (as defined in Section 8.3) and the implementation of the cancellation agreements, under which BigRep's managing director service contracts are cancelled (the "**Cancellation Agreements**"), BSL shall receive 161,802 Consideration Shares from the BigRep Shareholders on a pro rata basis, of which 113,217 Consideration Shares (the "**ESOP 2017 Shares**") shall be allocated to the beneficiaries of the ESOP 2017 and 48,585 Consideration Shares (the "**Management Incentive Shares**") shall be allocated to the BigRep management, *i.e.*, Dr. Reinhard Festag and Dr. Sven Thate (the "**BigRep Management**"), pursuant to the Cancellation Agreements. The ESOP 2017 Shares and the Management Incentive Shares will be transferred by BSL without undue delay after the closing of the Business Combination upon instruction of BigRep to the beneficiaries of the ESOP 2017 and the BigRep Management. BSL has no obligation to verify whether BigRep's instruction is correct and whether the beneficiaries under the ESOP 2017 have submitted the relevant letter of consent (as described in Section 8.4) or whether the BigRep Management has executed the Cancellation Agreements. BSL has accepted no liability and shall in no way be liable for the distribution of ESOP 2017 Shares and the Management Incentive Shares except in cases of willful misconduct.

The BigRep Shareholders (other than Kreditanstalt für Wiederaufbau Anstalt des öffentlichen Rechts, Frankfurt am Main, Germany (“KfW”), which liability under the Business Combination Agreement shall be borne by all other BigRep Shareholders pro rata) shall indemnify and hold harmless on a pro rata basis to their BigRep shareholding prior to the closing of the Business Combination SMG Technology from and against all claims of beneficiaries under the Existing ESOPs and all other liabilities under the Existing ESOPs (including fines or costs of proceedings by any governmental entity in respect of the Existing ESOPs) and any amounts awarded by any court in respect of the Existing ESOPs against SMG Technology or BigRep in excess of the sum of €1,500,000 paid to the beneficiaries as described above and the accounting par value of the ESOP 2017 Shares by transferring Public Shares to SMG Technology or if such BigRep Shareholder does not hold sufficient Public Shares, pay the relevant portion in cash to SMG Technology. These obligations of the BigRep Shareholders shall survive the closing of the Business Combination and expire two years after the closing of the Business Combination.

7.4 Ownership Structure of SMG Technology after the Consummation of the Business Combination

Upon consummation of the Business Combination: (i) SMG Technology’s holders of Public Shares will own approximately 35.1% of SMG Technology’s outstanding shares; (ii) the Sponsor will own approximately 5.3% of SMG Technology’s outstanding shares; and (iii) the BigRep Shareholders will own approximately 46.5% of SMG Technology’s outstanding shares. These levels of ownership reflect that (A) 95,262 Public Shares have been redeemed by SMG Technology’s holders of Public Shares and these are held as treasury shares following redemption, (B) BigRep Shareholders represent 100% of the issued and outstanding shares of BigRep, including HAGE Holding, (D) the 3,750,000 Sponsor Shares were converted into New Public Shares, (E) the redemption of 2,100,000 Public Shares in return for the subscription of an equal number of Preferred Shares and (F) the Incentive Share Transfer (see Section “8.3 Consideration to the BigRep Shareholders in the Business Combination”) occurs in connection with the consummation of the Business Combination.

The ownership percentages with respect to the Company following the Business Combination do not take into account the warrants to purchase Public Shares that will remain outstanding immediately following the Business Combination.

The following table illustrates the ownership structure in the Company immediately following the consummation of the Business Combination:

	Share Ownership in SMG Technology ⁽¹⁾	
	Number of Shares	Percentage of Outstanding Shares
SMG Technology’s holders of Public Shares ⁽²⁾	5,849,733	35.1%
Sponsor.....	880,000	5.3%
BigRep Shareholders ⁽³⁾	7,750,418	46.5%
Treasury Shares.....	2,195,267	13.2%
Total.....	16,675,418	100%

(1) The ownership structure presented in this table shows the total number of shares issued by the Company in connection with the Business Combination.

(2) Reflects 2,100,000 Preferred Shares, which were issued in exchange for the redemption of the equal number of Public Shares in connection with the Business Combination.

(3) Including HAGE Holding and the holders of the ESOP 2017 Shares.

7.5 Background of the Business Combination

SMG Technology has been established for the purpose of acquiring one operating business with principal business operations in a member state of the European Economic Area, the United Kingdom or Switzerland by way of a merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transaction.

On October 31, 2023, SMG Technology completed its Private Placement of 22,000,000 units at a price of €1.00 per unit, which reflect 2,200,000 units at a price of €10.00 per unit following the Reverse Stock Split, generating gross proceeds of €22,000,000 that have been placed in the Escrow Account. Each unit consisted of one Public Share and 1/2 Public Warrant with the right to subscribe for one Public Share at a stated exercise price of €1.15, which has been adjusted to €7.00 (reflecting the Reverse Stock Split) by amending the definition of “Exercise Price” in the terms and conditions of the Public Warrants by way of consent of the warrant holders). In conjunction with the Private Placement, the Sponsor subscribed for 20,000,000 Sponsor Warrants at a price of

€0.15 per Sponsor Warrant, which reflect 2,000,000 Sponsor Warrants at a price of €1.50 per Sponsor Warrant following the Reverse Stock Split (€3,000,000 in the aggregate) (the “**Sponsor Capital At-Risk**”). The 37,500,000 Sponsor Shares were issued at an accounting par value of approximately €0.00548 per Sponsor Share, which reflect 3,750,000 Sponsor Shares at an accounting par value of approximately €0.0548 per Sponsor Share following the Reverse Stock Split. The Sponsor paid an additional purchase price for the Sponsor Shares in the aggregate of €750,000 to cover, along with the Sponsor Capital At-Risk, certain working capital requirements and remuneration costs.

Since the completion of the Private Placement, SMG Technology considered a number of potential target businesses with the objective of consummating a business combination. Representatives of SMG Technology contacted a number of individuals and entities with respect to potential business combination opportunities. SMG Technology primarily considered businesses that it believed could benefit from the substantial expertise, experience and network of its management team, that SMG Technology determined have a competitive advantage in the markets in which they operate and that have attractive growth prospects.

In the process that led to identifying BigRep as an attractive business combination opportunity, SMG Technology’s management team evaluated a number of different potential business combination targets. The terms of the Business Combination Agreement are the result of extensive negotiations among the representatives of SMG Technology, BigRep and the BigRep Shareholders.

Following exploratory discussions in the course of 2023, SMG Technology and BigRep started substantial negotiations on the terms and conditions of a potential business combination in November 2023.

On November 23, 2023, SMG Technology and BigRep entered into, and executed, a letter of intent (the “**LoI**”) with a non-binding term sheet. After the execution of the LoI, SMG Technology, BigRep and the BigRep Shareholders entered into negotiations of the Business Combination Agreement.

On November 23, 2023, SMG Technology published an ad hoc release with respect to the execution of the LoI. The ad hoc contained a description of the envisaged Business Combination between SMG Technology and BigRep.

Until the date of the execution of the Business Combination Agreement, SMG Technology conducted business, financial, tax and legal due diligence with respect to BigRep.

On December 20, 2023, SMG Technology, BigRep, the BigRep Shareholders, HAGE Holding and BSL entered into the Business Combination Agreement. On the same day, SMG Technology issued an ad hoc release announcing the execution of the Business Combination Agreement.

On April, 26, 2024, SMG Technology published an ad hoc release with respect to the postponement of the publication of SMG Technology’s standalone and consolidated financial statements for the fiscal year 2023 until a date yet to be determined after April 30, 2024. This was particularly due to an increase in SMG Technology’s liquidity requirements as a result of the delay of the Business Combination with BigRep. The audit and adoption of the standalone and consolidated financial statements of SMG Technology were subject to the conditions for accounting on a going-concern basis being met.

On May 28, 2024, SMG Technology, BigRep and certain related parties entered into an agreement to, amongst others, secure additional liquidity for SMG Technology to enable SMG Technology to meet the conditions for accounting on a going-concern basis. In connection with this agreement, the Sponsor and de Krassny entered into a side agreement, pursuant to which the Sponsor agreed to transfer all Sponsor Shares to de Krassny save for 8,800,000 Sponsor Shares available to the Sponsor at the consummation of the Business Combination. The cash proceeds were advanced by the Sponsor to the following affiliated undertakings which in turn repaid the following amounts owed to SMG Technology: (i) €1,092,474.89 from SMG Holding; (ii) €1,034,000.00 from SMG Hospitality SE; and (iii) €773,525.11 from SMG SPAC Investment S.à r.l. SMG Technology still holds a receivable against SMG Holding in the principal amount of €657,525.11 which is due twelve months following the consummation of the Business Combination (together, the “**Additional Liquidity**”).

On May 28, 2024, SMG Technology, BigRep, the BigRep Shareholders, HAGE Holding and BSL entered into the amendment agreement to the Business Combination Agreement. The amendment agreement reflects, amongst others, (i) the implications of refraining from an envisaged PIPE financing, (ii) the forfeiture of the Sponsor Warrants, (iii) the reduction of the minimum cash condition, (iv) changes to the board composition,

(v) changes to the fees and expenses, (vi) postponement of the termination date, and (vii) changes to the lock-up undertakings.

On July 25, 2024, SMG Technology's extraordinary shareholders' meeting voted in favor of the proposed Business Combination. In connection with the Business Combination, 95,262 Public Shares (approximately 4.3% of the then-outstanding Public Shares, not taking into account Public Shares exchanged in Preferred Shares) were redeemed by Public Shareholders.

7.6 SMG Technology's Reasons for the Business Combination

The Management Board, then composed of Dr. Stefan Petrikovics (CEO), René Geppert (COO), Werner Weynand (CAO) and George E. Aase (CFO), in evaluating the Business Combination, consulted with its legal counsel, financial and accounting advisors and other advisors. In reaching its resolution (i) that the terms and conditions of the Business Combination Agreement and the transactions contemplated thereby, including the Business Combination, are advisable, fair to and in the best interests of SMG Technology and its shareholders and (ii) to recommend that the shareholders approve the Business Combination, the Management Board considered and evaluated a number of factors, including, but not limited to, the factors discussed below. In light of the number and wide variety of factors considered in connection with its evaluation of the Business Combination, the Management Board did not consider it practicable to, and did not attempt to, quantify or otherwise assign relative weights to the specific factors that it considered in reaching its determination and supporting its decision. The Management Board viewed its decision as being based on all of the information available and the factors presented to and considered by it. In addition, individual members of the Management Board may have given different weight to different factors. This explanation of SMG Technology's reasons for the Business Combination and all other information presented in this section may be forward-looking in nature and, therefore, should be read in light of the factors discussed under "2.16 Forward-Looking Statements".

The Management Board considered a number of factors pertaining to the Business Combination as generally supporting its decision to enter into the Business Combination Agreement and the transactions contemplated thereby, including but not limited to, the following material factors:

- **Competitive advantages relative to peers.** We believe BigRep has demonstrated its potential to develop into a market leader and has strong advantages relative to its competitors. We believe BigRep has a defensible proprietary technology, strong adoption rates, and manageable risks of technological obsolescence. We believe that BigRep has the potential to develop into a market leader, both locally as well as potentially globally due to certain unique proprietary technological attributes. We believe BigRep has all the key attributes required to achieve a leadership position via organic as well as external growth.
- **Excellent management team.** We believe that BigRep has a management team with a strong track record of growth and the capability to execute on both organic and inorganic opportunities. BigRep's management board has consisted of Dr. Sven Tate and Dr. Reinhard Festag since October 2020. In addition, BigRep's advisory board has consisted of Dr. Peter Smeets, Roland Nunheim, Dr. Christian Reitberger and Kai Furler. We believe that BigRep will significantly benefit from access to public capital markets, and with the bandwidth and discipline to scale the business at a potential faster pace than would be achievable in a private ownership context.
- **Value creation potential.** We believe that BigRep will benefit from leveraging the Sponsor's extensive network and expertise, thereby improving the growth profile and operating performance. The Sponsor has a track record of long-term commitment to businesses with significant scalability and global application potential, and believes that BigRep has a truly transformational vision and is adequately prepared to benefit from the Sponsor's value-add.
- **Compelling growth potential.** We believe that BigRep has a business with a compelling growth story that includes defensible organic growth drivers as well as strategic opportunities that require growth capital, such as expansion into new business verticals and new geographies.
- **Tech-driven business model with opportunity to scale.** BigRep has attractive unit economics with the opportunity to significantly scale its platform and operations.
- **Attractive unit economics.** We believe BigRep has a clear pathway towards profitable and compelling unit economics in the medium term.

- **Target to benefit from being publicly listed.** We believe that BigRep will benefit from being publicly listed and can utilize the broader access to public capital markets and profile to increase shareholder value.

The Management Board also considered a variety of uncertainties and risks and other potentially negative factors concerning the Business Combination, including, but not limited to, the following:

- **Benefits Not Achieved.** The risk that the potential benefits of the Business Combination may not be fully achieved, or may not be achieved within the expected timeframe.
- **Liquidation of SMG Technology.** The risks and costs to SMG Technology if the Business Combination is not completed, including the risk of diverting management focus and resources from other businesses combination opportunities, which could result in SMG Technology being unable to effect a business combination within the Business Combination Deadline and force SMG Technology to liquidate.
- **Shareholder Vote.** The risk that SMG Technology’s shareholders may fail to provide the respective votes necessary to effect the Business Combination.
- **Closing Conditions.** The fact that consummation of the Business Combination is conditioned on the satisfaction of certain closing conditions that are not within SMG Technology’s control.
- **Litigation.** The possibility of litigation challenging the Business Combination could indefinitely enjoin consummation of the Business Combination.
- **Fees and Expenses.** The fees and expenses associated with completing the Business Combination.
- **Other Risks.** Various other risks associated with the Business Combination, the business of SMG Technology and the business of BigRep described under Section “1. Risk Factors”.

In addition to considering the factors described above, the Management Board also considered that the Sponsor may have interests in the Business Combination that are in addition to, and that may be different from, the interests of SMG Technology’s shareholders (see Section “7.8 Interests of Certain Persons in the Business Combination”).

The Management Board concluded that the potential benefits which it expected SMG Technology and its shareholders to achieve as a result of the Business Combination outweighed the potentially negative factors associated with the Business Combination. Accordingly, the Management Board determined that the Business Combination Agreement and the Business Combination, were advisable, fair to, and in the best interests of, SMG Technology and its shareholders.

7.7 Valuation Determination

The Management Board is not required to obtain and has not obtained a fairness opinion as the Sponsor and its affiliates, solely and jointly, did not hold 20% or more of the shares in BigRep prior to the Business Combination.

In determining the enterprise value of the target company, the Management Board based its analysis on a revenue-based trading multiples valuation approach. The Management Board considers this approach consistent with market practice for technology companies that *e.g.* (i) exhibit an ambitious growth-based base business case, *i.e.* are within the scaling phase of their business cycle and/or (ii) are not yet profitable. The analysis already takes into account the positive revenue impact from BigRep’s intended acquisition of HAGE3D GmbH (“**HAGE3D**”).

Further add-on acquisitions which would reflect a roll-up strategy of *e.g.*, the highly fragmented European market for 3D printing technology and players has not been underwritten as this would form part of an upside case business plan. The main valuation driver are the company’s medium- and long-term revenue goals, *i.e.* top-line growth, accompanied by modest margin improvements resulting from *e.g.* economies of scale and synergies following the merger with HAGE3D.

The EV/revenue valuation is based on the EV (based on the traded share price) being expressed as multiple to revenue. The valuation analysis is subject to specific macro-economic assumptions, especially no sustained cooling-off of the global economy, which is typically characterized by a restraint of investment decisions of the corporate and government sectors, which are target sectors for BigRep’s products. This could, among others, be triggered by an escalation of the Russo-Ukrainian war or the Israeli-Palestinian conflict, an increasing conflict

situation or isolation of China, the 2024 presidential elections in the U.S. or sustained high inflation. Accordingly, there can be no assurance that the assumptions turn out to be correct or that the strategic goals will be reached.

For the EV/revenue multiple valuation the Management Board chose three peer groups. This approach is considered adequate given BigRep’s holistic approach to its business model as described in Section 12. Three peer groups comprising the following three sectors have been created: ‘3D Manufacturers’ capturing the hardware component of BigRep’s business, ‘Industrial Automation’ that is reflective of the holistic manufacturing element of BigRep’s business and ‘3D Software’ illustrating the software engineering and development part of BigRep’s business.

3D Manufacturers	2024E Revenue-multiple
Rocket Lab USA, Inc.	4.4x
Materialise NV	1.0x
Fathom Digital Manufacturing Corporation	1.9x
Freemelt Holding AB (publ)	3.0x
Farsoon Technologies Co., Ltd.....	11.9x
Markforged Holding Corporation.....	0.7x
Equally Weighted Average	3.8x

Industrial Automation	2024E Revenue-multiple
Emerson Electric Co.	3.3x
Cognex Corporation.....	6.2x
AutoStore Holdings Ltd.....	7.8x
Symbotic Inc.	2.1x
Equally Weighted Average	4.8x

3D Software	2024E Revenue-multiple
Autodesk, Inc.	8.0x
ANSYS, Inc.....	10.5x
PTC Inc.....	8.6x
Bentley Systems, Incorporated	13.1x
Equally Weighted Average	10.1x

Source: S&P Capital IQ, information downloaded on November 27, 2023.

The equally weighted average EV/revenue multiple for all listed peer companies from the three peer sectors was therefore around 5.9x in 2024. In addition, a sensitivity analysis for the EV/revenue multiple method delivered the following results:

Revenue multiple method - EV in € millions				
Peer group valuation multiples				
		5.0x	5.9x (base)	6.5x
Change to 2024 revenue target	- 10%	101	120	132
	± 0% (base)	113	133	146
	+ 10.0%	124	146	161

After considering the EV/revenue analysis, the Management Board concluded that an enterprise value of approx. €133 million for BigRep including HAGE3D would be appropriate.

7.8 Interests of Certain Persons in the Business Combination

The Sponsor and through his participation in the Sponsor Dr. Stefan Petrikovics (CEO) and Koehler Invest GmbH (“**Koehler**”) may have interests in the Business Combination that are different from, or in addition to, those of other shareholders of SMG Technology generally. The Management Board was aware of and considered these interests, among other matters, when evaluating and negotiating the Business Combination, and in recommending to SMG Technology’s shareholders that they approve the Business Combination proposal.

The interests include the following facts. If these interests are to be qualified as conflict of interests this is indicated below.

- the fact that the Sponsor agreed not to redeem any shares held by it in connection with a shareholder vote to approve a proposed Business Combination;
- the fact that the Sponsor paid an aggregate of approximately €205,000 for the 3,750,000 Sponsor Shares and such securities have a significantly higher value at the time of the Business Combination when they automatically convert into Public Shares, which qualifies as a conflict of interest;
- the fact that the Sponsor paid the Sponsor Capital At-Risk;
- the fact that the Sponsor paid an additional purchase price for the Sponsor Shares in the aggregate of €750,000 that will, next to the Sponsor Capital At-Risk, be used to fund certain working capital requirements and remuneration costs;
- the fact that the Sponsor would have lost its entire investment in SMG Technology and would not have been reimbursed for any out-of-pocket expenses if a business combination is not consummated by end of October 31, 2024, which qualifies as a conflict of interest; and
- the fact that Koehler was invested in both, SMG Technology and BigRep and, BigRep will benefit from additional funding provided in connection with the consummation of the Business Combination.

These interests may have influenced the members of the Management Board in making its recommendation that SMG Technology's shareholders should vote in favor of the approval of the Business Combination.

7.9 Transaction Expenses

In connection with the Business Combination, SMG Technology and BigRep incurred transaction expenses in the amount of approximately €5.1 million (excluding VAT). These transaction expenses are apportioned as follows: (i) approximately €2.0 for legal advisors, (ii) approximately €0.3 for the Listing Agent, (iii) approximately €0.5 for financial and accounting experts and (iv) approximately €2.3 for miscellaneous expenses, including, among others, costs for due diligence, the extraordinary general shareholders' meeting and the invitation thereto, preparation of pro-forma financial information and the preparation of capitalization and indebtedness tables.

The parties to the Business Combination Agreement have agreed to cap the expenses incurred in connection with the Business Combination to be charged to the combined entity (*i.e.*, SMG Technology Acceleration SE renamed to BigRep SE) at €5.0 million, subject to exemptions agreed in the Business Combination Agreement.

7.10 Sources and Uses for the Business Combination

The following tables summarize the sources and uses for funding the Business Combination:

Sources & Uses

Sources	(in € million)	Uses	(in € million)
BigRep Shareholder Roll-Over ⁽¹⁾	86.25	BigRep Shareholders Roll-Over ⁽¹⁾	86.25
Cash in Escrow Account ⁽²⁾	21.00	Cash to Balance Sheet ⁽⁴⁾	14.50
Sponsor Shares ⁽³⁾	37.50	Converted Sponsor Shares ⁽⁵⁾	37.50
		Transaction Costs ⁽⁶⁾	5.0
		ESOP Payments ⁽⁷⁾	1.50
Total sources	144.75	Total uses	144.75

(1) Value of the equity interest of the BigRep Shareholders.

(2) Reflects redemptions of 95,262 Public Shares by the Public Shareholders.

(3) Includes the issue of 1,560,000 additional Sponsor Shares in connection with the Business Combination.

(4) BigRep has incurred shareholder loans in the total principal amount of €9.29 million and is obligated to repay four of these shareholder loans in the total principal amount of €1.8 million until the earlier of (i) the date of the consummation of the Business Combination or (ii) November 15, 2024. The remaining shareholder loans (i) in the total principal amount of €1.3 million have a fixed term until June 30, 2025 and (ii) in the total principal amount of €6.19 million have a fixed term until December 31, 2025, see section "12.14.1 Bank Loan and Shareholder Loan Agreements." In accordance with the Business Combination Agreement, the Company will ensure that BigRep is able to repay the shareholder loans when they fall due.

- (5) Reflects the conversion of all outstanding Sponsor Shares in connection with the consummation of the Business Combination.
- (6) Reflects transaction costs incurred in connection with the Business Combination (*i.e.*, fees for financial and legal advisors, the Listing Agent and the deferred listing commission as well as miscellaneous expenses, *e.g.*, holding of the extraordinary general shareholders' meeting) to be charged by the parties of the Business Combination Agreement to the combined entity (*i.e.*, SMG Technology Acceleration SE renamed to BigRep SE).
- (7) The aggregate amount of all cash payments under the Existing ESOPs.

7.11 Accounting Treatment of the Business Combination

BigRep is treated as accounting acquirer under the Business Combination. For accounting and financial reporting purposes, please see Section "22. *Financial Information*".

8. BUSINESS COMBINATION AGREEMENT AND ANCILLARY DOCUMENTS

8.1 General Description of the Business Combination Agreement

On December 20, 2023, SMG Technology, BigRep, the BigRep Shareholders, HAGE Holding, and BSL (collectively, the “**Parties**”) entered into the Business Combination Agreement (with the amendment agreement to the Business Combination Agreement dated May 28, 2024) and certain ancillary documents, *i.e.*, the SHA Termination Agreement, the Lock-Up and Divestment Agreement, the Support Agreement, and the Leadership Representation Agreements (all as defined below, and together the “**Ancillary Documents**”), which provide for, among other things, the contribution of all shares in BigRep into SMG Technology by the BigRep Shareholders in exchange for the New Public Shares in SMG Technology.

8.2 Reorganization of SMG Technology

SMG Technology, the SMG Technology shareholders and the holders of SMG Technology warrants performed the following reorganization measures (the “**Reorganization**”) as part of the preparation for the closing of the Business Combination and adopted the required shareholders’ and warrant holders’ consent of SMG Technology and further authorized to conduct all other steps necessary for the implementation of these measures, including adopting the new articles of association of SMG Technology:

- During the SMG Technology Shareholder Approval (as defined below), the authorized capital of SMG Technology has been increased, amended and renewed in order to enable the Management Board, with the consent of SMG Technology’s supervisory board, to issue up to 1,560,000 Sponsor Shares for a period of five years following the SMG Technology Shareholder Approval (as defined below), and subject to the Sponsor Share reduction mechanism as set forth in the Support Agreement (as defined below), SMG Technology has issued 1,560,000 new Sponsor Shares from its authorized capital that have been subscribed against payment of their accounting par value of approximately €0.0548 each.
- The exercise price of SMG Technology’s warrants has been adjusted from €11.50 to €7.00 (reflecting the Reverse Stock Split) by amending the definition of “Exercise Price” in the terms and conditions of the Public Warrants by way of consent of the warrant holders.
- The Sponsor has agreed in the business combination support agreement with respect to the Business Combination and the Business Combination Agreement, entered into between SMG Technology, the Sponsor and SMG Technology Investment S.à r.l. as well as the Cornerstone Investors (as defined below) (the “**Support Agreement**”), to forfeit all Sponsor Warrants. SMG Technology and the Sponsor agreed to cancel the Sponsor Warrants for no consideration prior to the consummation of the Business Combination.
- During the SMG Technology Shareholder Approval (as defined below) a new class of shares of SMG Technology, the Preferred Shares, has been created. The Preferred Shares are in registered form and will not be admitted to trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). The rights of the Preferred Shares are set out in the Articles of Association. SMG Technology has issued a total of 2,100,000 new Preferred Shares that have been subscribed by certain existing shareholders of SMG Technology, *i.e.*, de Krassny, KLK HOLDINGS LTD (“**KLK**”), Apollo Beteiligungs GmbH (“**Apollo**”), and Koehler (together with de Krassny, KLK and Apollo, the “**Cornerstone Investors**”). Such issuance has been made within the limits of the authorized capital of SMG Technology and without reserving a preferential right to subscribe such shares for the existing shareholders of SMG Technology. In accordance with the Support Agreement, the Cornerstone Investors redeemed an aggregate of 2,100,000 Public Shares for the price calculated in accordance with the articles of association of SMG Technology, subject to the condition precedent (*aufschiebende Bedingung*) that such shareholders subscribe for an equal number of Preferred Shares as they have redeemed for an issuance price equal to the redemption price of such redeemed Public Shares (the “**Share Exchange**”). The redemption payment and the issuance price of such shareholders have been set off. The Preferred Shares have the rights as set forth in the new Articles of Association and the Lock-Up and Divestment Agreement (as defined below) relating to shares in SMG Technology, entered into between the Sponsor, SMG Investment S.à r.l., and the BigRep Shareholders, including BASF Venture Capital GmbH (“**BASF**”), KfW and 52 other persons as listed in Section 15.3 (the “**Target Shareholders**”, and the Target Shareholders except for BASF, KfW, Koehler, Martin Back, Dr. Stephan Beyer, b-to-v Partners S.à r.l., VICI II Ventures GmbH, Dr. Christian Reitberger, kloeckner.v GmbH, Körber AG, Dorle Sandkühler-

Gurka, and Schneider Smeets BigRep Vermögensverwaltung GbR, the “**Companisto Shareholders**”), HAGE Holding, the Cornerstone Investors and the BigRep Management in connection with the execution of the Business Combination Agreement (the “**Lock-Up and Divestment Agreement**”). In accordance with the Lock-Up and Divestment Agreement and as described in more detail below, the Parties have agreed to use their best efforts to or obtain all necessary approvals by its shareholders, if any are needed, to retain, at all times until the date that is five years after the closing of the Business Combination, an authorized capital in the amount as is required to issue an additional 3,360,000 Public Shares (assuming 2,100,000 Preferred Shares) to the holders of Preferred Shares against payment of their accounting par value.

8.3 Consideration to the BigRep Shareholders in the Business Combination

Subject to the terms and conditions of the Business Combination Agreement, the consideration received by the BigRep Shareholders in connection with the Business Combination consists of 8,625,418 New Public Shares (the “**Consideration Shares**”). The Consideration Shares include the shares to cover the BigRep Shareholders Incentive Share Transfer (as defined below) and the ESOP Share Transfer (as defined below).

The BigRep Shareholders have agreed to assign (i) 875,000 Consideration Shares to the Cornerstone Investors (the “**BigRep Shareholders Incentive Share Transfer**”), (ii) 161,802 Consideration Shares to BSL (the “**ESOP Share Transfer**”) and (iii) subject to the utilization of the shareholder loan agreement on November 16, 2023, entered into between the BigRep Shareholders and BigRep (the “**Equity Kicker Loan**”), which consists of loan and equity incentive components, 330,000 Consideration Shares from the non-lending BigRep Shareholders under the Equity Kicker Loan to the lending BigRep Shareholders.

In addition, the Sponsor has agreed to assign and transfer against no consideration a total of 375,000 Public Shares to the Cornerstone Investors upon the closing of the Business Combination and conversion of the Sponsor Shares into Public Shares (the “**Sponsor Incentive Share Transfer**” and together with the BigRep Shareholders Incentive Share Transfer, the “**Incentive Share Transfer**”).

8.4 Termination of Existing ESOPs

BigRep maintained the Existing ESOPs under which options for the issuance of a total of 93,100 BigRep shares have been allocated to beneficiaries of which 79,600 options have been vested as of the date of the Business Combination Agreement.

In accordance with the Business Combination Agreement, BigRep terminated the Existing ESOPs with effect as of the closing of the Business Combination. To settle all outstanding claims under the Existing ESOPs, immediately following the closing of the Business Combination, (i) BigRep shall pay the beneficiaries under the ESOP 2015 in cash; and (ii) BigRep shall transfer 161,802 Consideration Shares from the BigRep Shareholders on a pro rata basis, of which 113,217 constitute the ESOP 2017 Shares and 48,585 the Management Incentive Shares, to BSL, which acts as trustee for BigRep under the ESOP 2017 and BigRep shall make an additional cash payment to the beneficiaries of the ESOP 2017. The aggregate amount of all cash payments of BigRep under this Section shall equal €1,500,000. Immediately following the closing of the Business Combination and within the context of the ESOP Share Transfer and the implementation of the Cancellation Agreements, under which BigRep’s managing director service contracts are cancelled, BSL shall receive such 161,802 Consideration Shares pursuant to the Cancellation Agreements. The ESOP 2017 Shares and the Management Incentive Shares will be transferred by BSL without undue delay after the closing of the Business Combination upon instruction of BigRep to the beneficiaries of the ESOP 2017 and Dr. Reinhard Festag and Dr. Sven Thate. BSL has no obligation to verify whether BigRep’s instruction is correct and whether the beneficiaries under the ESOP 2017 have submitted the relevant letter of consent (as described below) or whether Dr. Reinhard Festag and Dr. Sven Thate have executed the Cancellation Agreements. BSL has accepted no liability and shall in no way be liable for the distribution of ESOP 2017 Shares and the Management Incentive Shares except in cases of willful misconduct.

The BigRep Shareholders (other than KfW, which liability under the Business Combination Agreement shall be borne by all other BigRep Shareholders pro rata) shall indemnify and hold harmless on a pro rata basis to their BigRep shareholding prior to the closing of the Business Combination SMG Technology from and against all claims of beneficiaries under the Existing ESOPs and all other liabilities under the Existing ESOPs (including fines or costs of proceedings by any governmental entity in respect of the Existing ESOPs) and any amounts awarded by any court in respect of the Existing ESOPs against SMG Technology or BigRep in excess of the sum of €1,500,000 paid to the beneficiaries as described above and the accounting par value of the ESOP 2017 Shares by transferring Public Shares to SMG Technology or if such BigRep Shareholder does not hold sufficient Public

Shares, pay the relevant portion in cash to SMG Technology. The obligations of the BigRep Shareholders described herein shall survive the closing of the Business Combination and expire two years after the closing of the Business Combination.

Mr. Stephan Ziegler and Dr. Peter Smeets have signed the declarations relating to the ESOP 2017, under which they have agreed to certain amendments of the ESOP 2017, resulting in (i) the ESOP 2017 being terminated with effect as of the closing of the Business Combination, (ii) the distribution of SMG shares to them, and (iii) all of their claims under the ESOP 2017 being fully satisfied and settled.

8.5 New ESOP

Following the consummation of the Business Combination, a new employee share option program (the “New ESOP”) with the following terms has been implemented.

- The New ESOP comprises one million options for the subscription of Public Shares for the benefit of SMG executives and BigRep employees, which includes subsidiaries, each for the subscription of one share at a price of €12.50 (based on an issue price of €10.00 per share – or 10 million options with an issue price of €1.00).
- The New ESOP is allocated as follows: (i) 50% to the current team of relevant employees and top performers and Dr. Reinhard Festag and Dr. Sven Thate, which are then divided into (x) 25% to relevant employees and top performers of BigRep and (y) 25% to members of the Management Board, and (ii) 50% to new employees and members of the Supervisory Board.
- SMG Technology will have two members in its Management Board in the future, each such member of the Management Board shall receive 83,333 options under the New ESOP. A third member of the Management Board is to be appointed in the course of the year, who is to receive also 83,333 options under the New ESOP.
- The New ESOP provides for a four-year vesting period, *i.e.*, 25% of options vest within each year. Options that have not yet vested will expire if the service or employment relationship ends prior to the occurrence of an exercise event for whatever reason.
- All unvested options expire without replacement or compensation if the service or employment relationship of the option holder ends due to termination for good cause by SMG Technology or BigRep or an affiliated company for which the option holder is responsible (*e.g.*, termination due to misconduct).
- At the end of each vesting period, the option holder has the right to purchase the shares for the subscription price of one share at a price of €12.50 per option.
- There is no protection against dilution. The options are economically diluted in the event of future increases in the SMG Technology’s share capital.
- All taxes, duties and contributions as well as interest, penalties and fines or other surcharges thereon arising in connection with the granting of the options, the exercise of the options and/or corresponding payments shall be borne by the option holder.

8.6 Representation and Warranties

Under the Business Combination Agreement, BigRep made customary representations and warranties to SMG Technology relating to, among other things: organization and qualification; capitalization; authority; financial statements; consents and requisite governmental approvals; no violations of laws; permits; material contracts; absence of changes; litigation; compliance with applicable laws; intellectual property; labor matters; insurance; tax matters; brokers, success fees; real and personal property; transactions with affiliates; data privacy and security; environmental matters; solvency; ownership of assets; subsidies; customers; compliance with product safety; accounts receivable; and information supplied for this Prospectus, estimated transaction expenses and warranties.

The BigRep Shareholders, each for themselves with respect to their own affairs and the BigRep shares held by them, made customary representations and warranties to SMG Technology and BigRep relating to, among other things: ownership of BigRep shares; rights to BigRep shares; organization and qualification; authority; consent and requisite government approvals; no violations of laws; proceedings; investment representations; and broker fees.

SMG Technology made customary representations and warranties to BigRep and the BigRep Shareholders relating to, among other things: organization and qualification; authority; consents and requisite government approvals; no violations of laws; broker fees; issuance of shares; capitalization of SMG Technology; escrow account; litigation; compliance with applicable law; internal controls; listing of its Public Shares; publications, financial statements; prior business operation; no undisclosed liabilities; tax matters; investigation; no other representations; and estimated transaction expenses.

8.7 Covenants of the Parties

All Parties to the Business Combination Agreement made certain covenants under the Business Combination Agreement, relating to, among other things: the timing of the Business Combination; efforts to consummate the transactions contemplated by the Business Combination Agreement; confidentiality and access to information; public announcements; the preparation of this Prospectus; cooperation following the closing of the Business Combination; and the establishment of a new employee share option program following the consummation of the Business Combination.

BigRep made several covenants under the Business Combination Agreement, relating to, among other things: the conduct of its business; exclusive dealings; and public filings.

SMG Technology made additional covenants relating to, among other things: the conduct of its business; public filings and the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) listing; and exclusive dealings.

The BigRep Shareholders made several covenants under the Business Combination Agreement, relating to, among other things: certain corporate actions; no inconsistent agreements; exclusive dealings; and transfer restrictions.

The Parties made certain additional post-closing covenants under the Business Combination Agreement, including, among others: a name-change to BigRep SE; implementing a new employee share option program; and sharing certain tax information.

8.8 Conditions to the Closing of the Business Combination

The obligations of the Parties to the Business Combination Agreement to consummate the transactions contemplated by the Business Combination Agreement were subject to the satisfaction or, if permitted by applicable law, waiver by all of the Parties of several conditions, which include, among others: obtaining the SMG Technology shareholders' approval (the "**SMG Technology Shareholder Approval**"); completion of any required stock exchange and regulatory review of this Prospectus; no rejection of the takeover law derogation request by the CSSF or any other declaration by the CSSF that the CSSF will reject the takeover law derogation request; and execution of the declaration by HAGE Holding to be issued in connection with the share contribution agreement entered into between BigRep and HAGE Holding on November 3, 2023, under which HAGE Holding has contributed all shares in HAGE3D to BigRep under the condition precedent (*aufschiebende Bedingung*) of a declaration of execution to be issued immediately prior to the consummation of the transactions contemplated by the Business Combination.

8.9 Sole Remedy

The sole remedy for a breach of the Business Combination Agreements' warranties was the right of SMG Technology and BigRep to terminate (*kündigen*) the Business Combination Agreement. Any remedies against a party of the Business Combination Agreement for any inaccuracy of the warranties made by it or otherwise are exclusively governed by the Business Combination Agreement and the termination right referred to above was the sole and exclusive remedy available to the Parties for breach, if any, of any of the warranties. To the extent permitted by mandatory law, any other rights and remedies of a party in connection with the Business Combination Agreement or the Ancillary Documents are excluded.

8.10 Fees and Expenses

Subject to certain exceptions, the fees and expenses incurred in connection with the Business Combination Agreement, the Ancillary Documents and the transactions contemplated thereby, including the fees and disbursements of counsel, financial advisors and accountants, shall be paid by the party incurring such fees or expenses.

Upon the closing of the Business Combination, SMG Technology shall pay, or cause to be paid, all unpaid transaction expenses incurred by BigRep or itself provided that (i) transaction expenses of BigRep exceeding €2,500,000 (excluding the payment of €1,500,000 to beneficiaries under the Existing ESOPs) shall be borne by the BigRep Shareholders (but not KfW, which does not assume any liability under the Business Combination Agreement and which liability thereunder shall be borne by all other BigRep Shareholders pro rata) pro rata to their BigRep shareholding and (ii) transaction expenses of SMG Technology exceeding €2,500,000 (the “**SMG Technology Expense Basket**”) shall be borne by the Sponsor. The SMG Technology Expense Basket shall not be reduced by (i) any expenses of SMG Technology paid with funds received as part of the Additional Liquidity, (ii) any expenses incurred by BigRep and paid by SMG Technology (including the payment of €1,500,000 to beneficiaries under the Existing ESOPs and the payment of interest and capital under any outstanding loans of BigRep), and (iii) any expenses paid in the amount of up to €211,476 with funds received from SMG Holding or a guarantor as part of a loan agreement with SMG Technology.

8.11 Miscellaneous

The Business Combination Agreement and the rights and obligations of the Parties thereunder are governed by, and construed in accordance with, the laws of Germany, excluding conflict of laws rules.

All disputes arising under or in connection with the Business Combination Agreement shall be exclusively and finally settled in accordance with the rules of arbitration of the German Arbitration Institute (*Deutsche Institution für Schiedsgerichtsbarkeit e.V.*) which are in force on the date of the commencement of the arbitration without recourse to the ordinary courts of law. The place of the arbitration will be Frankfurt am Main, Germany. The arbitral tribunal shall consist of three arbitrators. The language of the arbitral proceedings will be English.

The Business Combination Agreement may be amended or modified only by a written agreement (unless a stricter form is required) executed by the Parties.

8.12 Lock-Up Undertakings

8.12.1 Lock-Up

Under the Lock-Up and Divestment Agreement, the parties have agreed that they shall not for the period commencing on the closing date of the Business Combination, and ending (i) 30 months from the closing date of the Business Combination for HAGE Holding in respect of 662,527 Public Shares, BASF, and Koehler in respect of 2,559,890 Public Shares, and (ii) 18 months from the closing date for Dr. Reinhard Festag and Dr. Sven Thate, de Krassny, Apollo, KLK, Koehler in respect of the remainder of their shares, SMG Investment S.à r.l., the Sponsor, HAGE Holding in respect of 276,053 Public Shares, and all other parties to the Lock-Up and Divestment Agreement that are not Exempted Shareholders (the “**Lock-Up Period**”) (i) sell, assign, charge, dispose of, encumber, pledge, mortgage, hypothecate, grant any option, right or warrant to purchase or otherwise transfer (including by merger, business combination or otherwise) (such actions collectively referred to as “**Transfer**”) any shares or any other securities of the Company, including securities convertible into, exercisable or exchangeable for shares; (ii) conclude any swap agreements that would transfer the economic risk of ownership of the shares to a third party; or (iii) enter into a transaction or perform any action economically similar to those described under item (i) and (ii) after the closing of the Business Combination, except for HAGE Holding in respect of 165,632 shares, the beneficiaries of the ESOP 2017, Dorle Sandkühler-Gurka, Martin Back, and Dr. Stephan Beyer (the “**Exempted Shareholders**”), and without prejudice to the statutory right or obligation of the shareholder to sell to the relevant offeror in the event that the shares are subject to a mandatory takeover, sell-out or squeeze-out procedures (each of the items (i) to (iii) collectively referred to as the “**Lock-Up**”).

The Sponsor shall be entitled to transfer such number of shares corresponding to the delta of the shares held by the Exempted Shareholders and 10% of the total number of outstanding shares to SMG SPAC Investment S.à r.l., and/or SMG Holding, which shall not be subject to the Lock-Up.

To ensure compliance with the above Lock-Up Periods, the parties to the Lock-Up and Divestment Agreement agreed that they will, with the exception of (i) the Exempted Shareholders in relation to their shares which are not subject to lock-up, (ii) SMG Technology in relation to the shares not subject to Lock-Up, and (iii) KfW, for the term of each relevant Lock-Up Period present to the Management Board within two weeks prior to each annual general shareholders’ meeting confirmation issued by their relevant custodian bank stating that the number of shares held has not changed since the consummation of the Business Combination. If such confirmation is not provided despite a further request by the Management Board, a penalty payment to SMG Technology must

be made in the amount of 10% of the average share price of the shares in SMG Technology on the trading day prior to the day the relevant annual general shareholders' meeting is held.

Any Lock-Up shall end for all parties to the Lock-Up and Divestment Agreement if the Public Shares trade, on the XETRA trading system of Deutsche Börse Aktiengesellschaft, at or above a volume-weighted average price ("VWAP") of €15.00 for a period of at least 30 consecutive trading days following the closing of the Business Combination. In the event of a share split or reverse share split, the VWAP shall be adjusted accordingly.

8.12.2 General Exceptions

Furthermore, the Lock-Up undertakings contain certain general exceptions.

The Lock-Up and the additional lock-up as described in Section 8.13.1, respectively, are not applicable to any Transfer made by a shareholder of a portion or all of its respective shares (i) to another direct or indirect wholly-owned subsidiary of (x) any such shareholder and (y) any member of its respective group (each, a "**Permitted Affiliate Transferee**"), provided that the transferring shareholder procures compliance by the Permitted Affiliate Transferee with the terms of the Lock-Up and Divestment Agreement and the Articles of Association (each Permitted Affiliate Transferee shall be deemed to be a permitted successor and assign hereunder); (ii) by way of acceptance of an offer for the whole of the issued share capital of the Company; (iii) in response to a request from the offeror, by the provision of an irrevocable undertaking to accept an offer of the kind referred to in item (ii); (iv) an offer by the Company to purchase its own shares, which is made on identical terms to all holders of the respective class of shares; or (v) with the prior written consent of the parties to the Lock-Up and Divestment Agreement. Unless already a party to the Lock-Up and Divestment Agreement, the Permitted Affiliate Transferee shall, prior to the applicable Transfer, execute an adherence letter with the Company acting on behalf of all parties, pursuant to which such Permitted Affiliate Transferee agrees to be bound by the Lock-Up and Divestment Agreement and the Articles of Association.

8.13 Ancillary Documents

This Section describes the material provisions of certain of the Ancillary Documents but does not purport to describe all of the terms thereof.

8.13.1 Lock-Up and Divestment Agreement

Under the Lock-Up and Divestment Agreement, the parties thereto have agreed to the Lock-Up as described above in Section "8.12 Lock-Up Undertakings".

In addition, pursuant to the Lock-Up and Divestment Agreement, each share shall entitle to the same amount of distribution, subject to mandatory provisions of Luxembourg law, the Articles of Association and the Preferred Dividend (as defined below). The Preferred Shares shall entitle to the Preferred Dividend at a rate of 12.0% per year on the subscription price per Preferred Share, which shall be calculated based on quarterly periods subject to the fulfilment of the Condition and mandatory provisions of Luxembourg law, the Preferred Dividend shall only be paid at the annual general shareholders' meeting of the Company to be held after the expiration of the Calculation Period to the holders of Preferred Shares, pro rata to the number of Preferred Shares held by each of them. If the Preferred Dividend is not paid after the annual general shareholders' meeting to be held after the expiration of the Calculation Period, such Preferred Dividend lapses.

Furthermore, the parties to the Lock-Up and Divestment Agreement have agreed upon a mandatory redemption of the Preferred Shares. If the Condition is met and in the event that the Preferred Dividend is not paid at the annual general shareholders' meeting to be held after the expiration of the Calculation Period due to mandatory provisions of Luxembourg law, (i) the Preferred Shares shall be redeemed at a redemption price corresponding to the accounting par value for each Preferred Share; and (ii) the Company shall issue, as the redemption consideration, subject to any adjustment in case of a share or reverse share split, 3,360,000 new Public Shares (assuming 2,100,000 Preferred Shares) at a subscription price corresponding to the accounting par value for each Public Share to the respective former holders of Preferred Shares, without reserving a preferential right to subscribe for such Public Shares for the existing shareholders. If the Condition is not met and subject to mandatory provisions of Luxembourg law, (i) the Preferred Shares shall be redeemed at a redemption price corresponding to the accounting par value for each Preferred Share; and (ii) the Company shall issue, subject to any adjustment in case of a share or reverse share split, 2,100,000 new Public Shares (assuming 2,100,000 Preferred Shares) at a subscription price corresponding to the accounting par value for each Public Share to the

respective former holders of Preferred Shares, in each case pro rata the Preferred Shares so redeemed, and without reserving a preferential right to subscribe for such Public Shares for the existing shareholders. The redemption price of the Preferred Shares shall correspond to the subscription price of, respectively, the new 3,360,000 Public Shares (assuming 2,100,000 Preferred Shares) and the new 2,100,000 Public Shares (assuming 2,100,000 Preferred Shares) and such new Public Shares will not be entitled to the Preferred Dividend. The consideration for the issuance of the new Public Shares shall be set off against the redemption price, and no cash will be paid. The issuance of the new Public Shares with regard to the redemption of the Preferred Shares may be settled by the Company either through (i) the issuance of new Public Shares by the Company through incorporation of reserves or against contributions in cash; or (ii) the transfer of Public Shares held in treasury by the Company.

In addition, under the Lock-Up and Divestment Agreement, the parties have agreed upon a liquidation preference. Upon a Liquidation Event, *i.e.*, (i) any insolvency or bankruptcy proceedings of BigRep, (ii) the sale of more than three-quarters of the voting shares in BigRep, (iii) the sale of the business or all or substantially all of the assets of BigRep, or (iv) the entry of BigRep into a similar business combination or extraordinary transaction with another entity or person having a comparable economic effect as the legal transactions mentioned under lit. (ii) and (iii), any Proceeds shall be paid to the Company. The Company shall take any actions to receive the maximum amount of monies from the Proceeds as soon as possible for distribution in accordance with mandatory provisions of Luxembourg law. The parties to the Lock-Up and Divestment Agreement, except for the Company, agree among themselves to instruct the Company to distribute the Proceeds among them as provided in the Lock-Up and Divestment Agreement and, if that is not feasible, to ensure, to the extent that is legally permissible, the distribution of Proceeds as provided in the Lock-Up and Divestment Agreement. In any case of distribution, repayment or redemption, the Proceeds shall be allocated as follows: First, on *pari passu* basis, each holder of Preferred Shares shall receive, from the Proceeds, an amount equal to the number of Preferred Shares held by such holder multiplied by the subscription price per Preferred Share actually paid for such Preferred Share, less the amount of any repatriation, distribution, or payment already paid (the “**Preferred Shares Liquidation Preference**”). Second, to the extent that the Preferred Shares Liquidation Preference have been fully paid (and assuming no PIPE financing), the remainder of the Proceeds shall be distributed to the parties to the Lock-Up and Divestment Agreement in their capacities as shareholders of the Company in accordance with the Articles of Association. On the date of the expiration of the warrants, the liquidation preference as described herein shall automatically cease to apply. The Preferred Shares Liquidation Preference shall only apply to the respective parties to the Lock-Up and Divestment Agreement and not to any permitted transferees and/or successor. The parties to the Lock-Up and Divestment Agreement, except for the Company, undertake to do or cause to do all actions necessary to amend the Articles of Association following the expiration of the Preferred Shares Liquidation Preference. The Company shall cancel the redeemed Preferred Shares in due course.

8.13.2 SHA Termination Agreement

In connection with the execution of the Business Combination Agreement, the BigRep Shareholders have entered into a termination agreement (the “**SHA Termination Agreement**”) with regard to the existing shareholders’ agreement dated August 18, 2023 in place between the BigRep Shareholders pursuant to which the BigRep Shareholders and BigRep have terminated the existing shareholders’ agreement subject to the condition precedent (*aufschiebende Bedingung*) of the consummation of the transactions contemplated by the Business Combination Agreement.

8.13.3 Support Agreement

Pursuant to the Support Agreement, each of the Cornerstone Investors undertook towards SMG Technology, the other parties to the Support Agreement and the other shareholders of SMG Technology, among others, (i) to cause to be present, or represented by proxy, and to vote, or cause to be voted, at any duly called meeting of the shareholders of SMG Technology, in favor of the approval of the Business Combination and the other transactions contemplated by the Business Combination Agreement, (ii) to take all necessary actions in order to consummate the Business Combination and the other transactions contemplated by the Business Combination Agreement, (iii) to nominate certain members for appointment to the SMG Technology supervisory board by the general shareholders’ meeting of SMG Technology, (iv) not to exercise any redemption rights in connection with the Business Combination, (v) to support the consummation of the Business Combination and (vi) to redeem in the aggregate 2,100,000 Public Shares, with effect at the closing of the Business Combination, subject to the condition precedent (*aufschiebende Bedingung*) that such shareholder subscribes for an equal number of Preferred Shares as it has redeemed, for an issuance price equal to the redemption price of such redeemed Public Shares.

Furthermore, the Sponsor undertook (i) to forfeit the Sponsor Warrants and (ii) the Sponsor Incentive Share Transfer (and the Sponsor, SMG Technology and the Cornerstone Investors agree to take all actions, measures and transactions necessary or deemed necessary to effect the transfer of such Public Shares, including the entering into one or multiple share transfer agreements).

8.13.4 Leadership Representation Agreements

BigRep shall obtain a warranty insurance on commercially reasonable terms covering the liability of Dr. Reinhard Festag and Dr. Sven Thate as well as Dr. Peter Smeets (each a “**Leadership Member**”) under the representation agreements, entered into between the Leadership Members, SMG Technology and BigRep in connection with the execution of the Business Combination Agreement (the “**Leadership Representation Agreements**”). Under the Leadership Representation Agreements, each of the Leadership Members has, severally, made to SMG Technology the statements relating to BigRep contained in the warranties schedule of the Business Combination Agreement (the “**Leadership Members’ Statements**”, as described above in Section 8.6) with effect as of the date of the respective Leadership Representation Agreement and as of the closing of the Business Combination. Each of the Leadership Members’ Statements is separate and independent. A Leadership Members’ Statement is not deemed to be wrong or incomplete if and to the extent that at the date of the respective Leadership Representation Agreement or at the closing of the Business Combination, respectively, the underlying facts, circumstances, or information to which the claim relates were positively known by SMG Technology and SMG Technology shall not have any claims for the breach of any of such Leadership Members’ Statements; (ii) SMG Technology shall be deemed to have knowledge of all matters and facts set out in the Business Combination Agreement including its annexes, in the respective Leadership Representation Agreement including its schedules and exhibits, as well as all matters and facts fairly disclosed in the due diligence and all matters and facts fairly disclosed in a disclosure letter, submitted five (5) business days prior to the closing of the Business Combination.

In the event of any breach of Leadership Members’ Statement, the liability of the Leadership Member under or in connection with the respective Leadership Representation Agreement is limited as follows:

- SMG Technology may only bring a claim against the Leadership Member to the extent and in such amount in which any individual claim awarded exceeds €90,000 (the “**De Minimis Threshold**”); and
- the sum of all such claims exceeds a basket (*Freibetrag*) in an amount of €500,000 (the “**Basket**”).

SMG Technology has committed to take out W&I insurance with an aggregate cover of at least €5,000,000. Subject to certain exceptions for intent (*Vorsatz*) or willful deceit (*Arglistige Täuschung*) by the Leadership Member, SMG Technology acknowledged and agreed that its sole recourse and remedy (if any) with respect to any Leadership Member claims shall only be made to the extent covered by the W&I insurance policy and accordingly the SMG Technology shall have no right to make or pursue, shall not make or pursue and irrevocably waives any right it may have to make or pursue any claim, proceeding, suit or action against any Leadership Member in respect of the Leadership Members’ Statements.

If the W&I insurance provides for a retention, (i) SMG Technology shall have recourse with respect to wrong or incomplete Leadership Members’ Statements against the relevant Leadership Member up to an aggregate maximum amount that is equal to 45% of the retention amount, and (ii) the Leadership Member shall be entitled, at its sole discretion, to satisfy a Leadership Member Claim in whole or in part by transferring class A shares in SMG Technology to SMG Technology, whereby each such share with an accounting par value of €0.0548 shall be valued with €10.00.

SMG Technology has accepted and confirmed in particular that the respective Leadership Member has not given any statements, representations or guarantees with respect to the forecasts, estimates or budgets (or any component thereof) regarding future income, profits, cash flow, the future financial situation or the future business operations (or any component thereof) of the BigRep Group made available to SMG Technology.

SMG Technology has, amongst others, undertaken to the respective Leadership Member that (i) it will not agree to any termination, amendment, variation or waiver of the W&I insurance policy (or do anything which has a similar effect or the effect of which is that the W&I insurance policy is no longer in full force and effect) without the consent in writing of the Leadership Members, where such termination, amendment, variation or waiver would adversely affect the legal or financial situation of any of the Leadership Members; and (ii) it will ensure (*steht dafür ein*) that under the W&I insurance policy the insurer shall not be entitled to subrogate against

the Leadership Members except if the payment under the W&I insurance policy or any loss as defined in the W&I insurance policy arises out of Leadership Member's intent (*Vorsatz*) or willful deceit (*Arglistige Täuschung*). If the W&I insurer makes any claims against the Leadership Members under or in connection with the W&I insurance policy or otherwise, the SMG Technology shall indemnify and hold harmless the Leadership Members from any damages, losses and liabilities resulting therefrom, including all out-of-pocket costs and expenses, legal fees and expenses and disbursements and taxes resulting from or arising in connection therewith, except such claim arises out of Leadership Member's intent or fraud.

SMG Technology's claims for a Leadership Member's breach becomes time-barred 18 months after the closing of the Business Combination.

9. MANAGEMENT’S DISCUSSION AND ANALYSIS OF NET ASSETS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF SMG TECHNOLOGY GROUP

The financial information contained in the following text and tables is taken from the SMG Technology Group’s audited consolidated financial statements as of and for the period from August 7, 2023 to December 31, 2023. The audited consolidated financial statements of SMG Technology as of and for the period from August 7, 2023 to December 31, 2023 have been prepared in accordance with IFRS. Where financial information in the following tables is labeled “audited”, this means that it has been taken from SMG Technology Group’s audited consolidated financial statements mentioned above.

9.1 Overview

SMG Technology is a European company (*Société Européenne*), originally incorporated under the laws of Luxembourg as a special purpose acquisition company. A special purpose acquisition company describes a development stage company that has no specific business plan or purpose and has indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies or other entity or person. SMG Technology was formed for the purpose of acquiring one operating business with principal business operations in a member state of the European Economic Area, the United Kingdom or Switzerland, which focuses on the technology sector, encompassing primarily the following verticals: additive manufacturing (“AM”)/3D printing, software as a service (SaaS), and digital infrastructure/blockchain-based technologies by way of merger, capital stock exchange, share purchase, asset acquisition, reorganization or similar transaction. The Business Combination is effected using new equity of SMG Technology issued to the BigRep Shareholders against contribution in-kind of the BigRep shares.

Until SMG Technology consummated the Business Combination on July 29, 2024, substantially all of SMG Technology’s assets consisted of cash received from the gross proceeds of its Private Placement, the proceeds from the Sponsor Capital At-Risk and the proceeds from the additional purchase price paid by the Sponsor for the Sponsor Shares (€750,000 in the aggregate). All of the proceeds from the Private Placement were transferred to SMG Technology Advisors GmbH & Co. KG and deposited in the Escrow Account by SMG Technology Advisors GmbH & Co. KG. The Sponsor Capital At-Risk and the additional purchase price for the Sponsor Shares were used to finance SMG Technology’s working capital requirements (including transaction expenses in connection with potential business combinations) and the expenses of the Private Placement and listing, except for the deferred listing commissions that were paid from the Escrow Account.

9.2 Results of Operations

Prior to the Business Combination, SMG Technology Group has neither engaged in any operations other than organizational activities, including the preparations of the Private Placement and the identification of potential target companies for the Business Combination. Following the Private Placement, SMG Technology Group incurred increased expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance), as well as for due diligence and other expenses in connection with the Business Combination. SMG Technology did not generate any operating revenues.

The following table provides financial information from the consolidated statement of comprehensive income:

	<u>For the period from August 7, 2023 to December 31, 2023</u>
	(audited)
	(in €)
Revenue	–
Operating loss	(2,538,832)
Fair value loss on class B warrants.....	(3,272,000)
Fair value loss on class A warrants	(1,373,900)
Finance income	101,816
Finance costs.....	(384,137)
Loss for the period	(7,465,802)

9.3 Selected Items from the Consolidated Statement of Financial Position

The following table presents financial information from the consolidated statement of financial position:

	<u>As of December 31, 2023</u>
	(audited)
	(in €)
Assets	
Current assets	
Cash in escrow	22,060,816
Receivable from related parties	2,919,998
Other receivables.....	4,212
Cash and cash equivalents	27,916
Total assets	25,012,942
Equity and liabilities	
Equity	
Share capital	120,000
Share premium	750,000
Accumulated deficit	(7,465,802)
Total equity	(6,595,802)
Total liabilities	31,608,744
Total equity and liabilities	25,012,942

9.4 Liquidity and Capital Resources

The following table sets forth the cash flows data of the SMG Technology Group:

	<u>For the period from August 7, 2023 to December 31, 2023</u>	
	(audited)	
	(in €)	
Net cash flows used in operating activities		(2,031,900)
Net cash flows from financing activities		24,120,632
Cash and cash equivalents at end of period.....		27,916

The liquidity needs of SMG Technology Group prior to the Private Placement have been pre-funded by the Sponsor under a shareholder loan. The amount due under such shareholder loan (€216,646.63) was set off against the aggregate subscription price paid in connection with the Sponsor Capital At-Risk, and any interest accrued thereon was waived.

SMG Technology Group's liquidity needs until the consummation of the Business Combination were supposed to be satisfied from the Sponsor Capital At-Risk. Due to the delay in completing the Business Combination and the delay of related parties in repaying their loans to SMG Technology, SMG Technology Group experienced a liquidity shortage, among others from significant costs already incurred in connection with the Business Combination. Consequently, on May 27, 2024, the Sponsor sold its Sponsor Shares to de Krassny save for 8,800,000 Sponsor Shares available to the Sponsor at the consummation of the Business Combination for an amount of €2.9 million. The cash proceeds were advanced by the Sponsor to certain affiliated undertakings which in turn repaid their amounts owed to SMG Technology. On May 28, 2024, SMG Technology received repayment of the following amounts owed by the following related parties: (i) €1,092,474.89 from SMG Holding; (ii) €1,034,000.00 from SMG Hospitality SE; and (iii) €773,525.11 from SMG SPAC Investment S.à r.l. SMG Technology still holds a receivable against SMG Holding in the principal amount of €657,525.11 which is due twelve months following the consummation of the Business Combination.

10. MANAGEMENT'S DISCUSSION AND ANALYSIS OF NET ASSETS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF BIGREP

Investors should read the following management's discussion and analysis of net assets, financial condition and results of operations in conjunction with Sections "7. Business Combination", "12. Business Description" and "22. Financial Information".

The financial information contained in the following text and tables is taken or derived from BigRep's audited consolidated financial statements as of and for the fiscal years ended December 31, 2023, December 31, 2022 and December 31, 2021, as well as BigRep's accounting records or internal reporting systems. The audited consolidated financial statements as of and for the years ended December 31, 2023, December 31, 2022 and December 31, 2021 were prepared in accordance with IFRS.

HaackSchubert GmbH Wirtschaftsprüfungsgesellschaft, Hafeninsel 11, 63067 Offenbach am Main, Germany has audited in accordance with Section 317 of the German Commercial Code (HGB) and German generally accepted standards for financial statement audits and issued an unqualified independent auditor's report (uneingeschränkter Bestätigungsvermerk des unabhängigen Abschlussprüfers) with respect to the audited consolidated financial statements of BigRep as of and for the fiscal years ended December 31, 2023, December 31, 2022 and December 31, 2021 prepared in accordance with IFRS. The aforementioned audited consolidated financial statements and the independent auditor reports thereon are included in Section "22. Financial Information".

Where financial information in the following tables is labeled "audited", this means that it has been taken from the audited financial statements mentioned above. The label "unaudited" is used in the following tables to indicate financial information that has not been taken from the audited financial statements mentioned above, but has been taken or derived from internal accounting records or reporting systems, or has been calculated based on figures from the aforementioned sources.

Unless indicated otherwise, all financial information presented in the text and tables included in this Prospectus is shown in thousands of Euro (in € thousand). Certain financial information, including percentages, has been rounded according to established commercial standards. As a result, rounded figures in the tables included in this Prospectus may not add up to the aggregate amounts in such tables (sum totals or subtotals), which are calculated based on unrounded figures. Furthermore, differences and ratios are calculated based on rounded figures and may therefore deviate from differences or ratios calculated based on unrounded figures appearing elsewhere in this Prospectus.

Financial information presented in parentheses denotes the negative of such number presented. A dash ("–") signifies that the relevant figure is not available or zero, while a zero ("0") signifies that the relevant figure has been rounded to zero.

For the purpose of this Section 10., unless indicated otherwise, references to "we", "us" or "our" refer to BigRep.

10.1 Overview

We believe we are one of the fastest-growing AM businesses. Our holistic approach of offering AM solutions comprising reliable German-engineered hardware, tailored materials, intelligent software, and a wide variety of services, in our opinion, sets us apart from our competitors and allows us to meet the needs of a growing and diversifying market. The success of our business and the trust of our customers is evidenced by more than 800 large-format AM systems installed across a broad range of customers from various industries, in particular automotive, aerospace, and manufacturing as well as our strong revenue growth with a compound annual growth rate ("CAGR") of approximately 22% between 2021 and 2023. With our hybrid sales model of direct sales through our own sales force and e-shop as well as our broad network of global resellers, we have, by our own estimate, the ability to offer industrial, large-format 3D printing solutions for a very broad range of applications such as rapid prototyping, manufacturing tooling such as jigs and fixtures, forms and molds, as well as end- and spare-part production to a broad customer base globally. We have steadily contributed and will continue to contribute to the development of 3D printing and the improvement of traditional production processes and the acceleration of innovation processes.

In 2023, the total 3D printing market was around €18 billion (source: Wohlers Report 2024) including both small desktop as well as industrial systems, and services. For industrial AM, covering metal and polymer

AM, the market amounted to €10.5 billion comprising systems (>€10,000), materials, and print services (*source: AMPOWER Report 2024*). The polymer industrial AM market is more than two times as large as the one for metal AM, with the metal segment currently growing faster compared to the polymer part. The total industrial AM market is expected to reach a valuation of €20 billion in 2028 with a CAGR of 13.9% until then (*source: AMPOWER Report 2024*).

With our holistic approach, we offer more than just a 3D printer. We deliver AM solutions comprising reliable German-engineered hardware, including the BigRep ONE, STUDIO and PRO, as well as intelligent software for ease of use and productivity, including BigRep FLOW, BLADE and CONNECT. Unlike key competitors, we give our customers the freedom to use tailored BigRep branded and quality-controlled materials, such as standard and specialty biopolymers as well as engineering performance polymers, or to use third-party filaments. Our broad value-adding services include part printing in BigRep's 3D Partlabs, application and materials consulting, training, and eLearning via BigRep's ACADEMY, and installation and maintenance services to ensure fast customer success pre- and after-sale also for less skilled users.

A team of around 100 competent employees in Germany, the United States, and Singapore successfully and quickly moves projects forward thanks to broad-based expertise, many years of experience and excellent know-how. Research and development pull together with project engineers and service and application technicians to realize holistic solutions from a single source – from project acquisition to continued life-time support and customer value driving repeat and recurring business. Risks, effects, and possibilities are considered at all times and the highest level of professionalism is achieved.

We procure supplies from leading suppliers only, most of which are in Germany or Europe, and pursue a hybrid sales model with direct sales and the use of resellers. Our broad network of global resellers consists of more than 50 active resellers covering more than 40 countries. We generate direct sales through our own sales force and our e-shop for materials and spare parts – BigRep HUB.

10.2 Key Factors Affecting our Results of Operations, Financial Condition and Cash Flows

The key factors discussed below have significantly affected our results of operations, financial condition, and cash flows during the periods for which financial information is included in the Prospectus, and we believe that these factors will continue to affect us in the future.

10.2.1 Development of the Market

Although the AM market is already large with about €17 billion and growing with double-digit figures it is only a small fraction of the overall manufacturing market. With our industrial positioning we expect to be well positioned to benefit from further AM market growth driven by a possible shift to a higher AM share of the overall manufacturing market. In addition, our technology of Fused Filament Fabrication (“FFF”) is the most widely used one in desktop applications offering a significant potential of further adoption for larger, industrial part printing.

10.2.2 Addressable Geographic Market

We have already a global footprint and significant revenues in Europe as well as North America. Thus, we will be able to scale our sales operations in these regions without incurring additional market entry costs and to dilute certain fixed cost such as our existing application centers. Our footprint in Asia Pacific is considerably smaller and needs further market entry efforts that will continue to benefit from our existing corporate infrastructures, such as our global marketing content creation and our digital marketing expertise.

10.2.3 Go to Market

A significant part of our revenues depends on excellent relationships with our global channel partners, which we are constantly increasing and investing in via sharing event expenses, trainings and support. In view of the competitive pressure in the market with many players striving for market share certain channel partners may choose other AM manufacturers than us.

10.2.4 Product Range

We offer full solutions of 3D Printer Hardware, Software, Materials, and Services fulfilling the needs of our customers. Key revenue currently stems from hardware sales. However, our holistic offering is not only a

must have for high customer satisfaction, but also a revenue “flywheel” as we are generating on the one hand repeat sales of additional hardware and on the other hand Lifetime Value by leveraging our ecosystem of optimized materials and services. In addition, we are increasing the “stickiness” in our open materials system via seamless software solutions rather than by a lock-in.

10.2.5 Commercial Product Launch

Several of our hardware products are in the late stages of development and are scheduled to begin commercial shipments in 2024, partially replacing existing products, which are phased out. Prior to commercialization, we need to complete final testing and manufacturing ramp-up of these products at our third-party contract manufacturers. Any delays in successful completion of these steps may impact our ability to generate revenue from these products.

10.2.6 Cost of Materials, Pricing and Margins

Our costs of goods sold are largely variable and depend on the volume of sales through the use of contract manufacturers. Currently, we face pressure in sourcing markets from a temporarily increase in raw material prices and a shortage of certain components, such as computer-chips, metal parts, which weigh on our costs. We believe our solutions and support provide higher value to customers compared to closed AM systems on the one hand and pure hardware vendors on the other hand. We believe our ability to sell this value results in gross margins well above industry average.

10.2.7 Selling, R&D, General and Administrative Expenses

A large portion of our selling, general and administrative, as well as R&D expenses are fixed in nature. Accordingly, as we grow our operations and expand our geographic footprint, we increase our operating leverage in personnel and operating costs. We believe, this increase in operating leverage will position us to expand our EBITDA margin. However, as a high-tech company we need to continue investing in product improvements to drive ease of use and productivity of our customers via more and more automated, and open AM solutions.

10.3 Result of Operations

10.3.1 Consolidated Statement of Total Comprehensive Income

The following table shows selected financial information taken from our consolidated statement of total comprehensive income for the periods indicated:

	For the fiscal year ended December 31,		
	2023	2022	2021
	(audited)		
	(in € thousand)		
Revenue from contracts with customers.....	11,229	9,062	7,499
Other income.....	568	2,407	550
Own work capitalized	2,050	1,746	1,826
Cost of materials.....	(5,683)	(4,475)	(4,390)
Personnel expenses.....	(7,690)	(6,894)	(6,642)
Other expenses	(5,460)	(3,954)	(2,803)
Earnings before interest taxation depreciation and amortization (EBITDA).....	(4,986)	(2,108)	(3,960)
Depreciation expenses.....	(825)	(884)	(1,037)
Amortization expenses.....	(1,486)	(1,679)	(1,951)
Operating result (EBIT)	(7,297)	(4,671)	(6,947)
Finance income	–	–	–
Finance costs	(207)	(161)	(158)
Financial result, net.....	(207)	(161)	(158)
Profit / Loss before tax (EBT).....	(7,505)	(4,832)	(7,105)
Income tax	(25)	(131)	(24)
Profit / Loss for the year.....	(7,529)	(4,963)	(7,129)
Items that will be reclassified subsequently to profit or loss			

	For the fiscal year ended December 31,		
	2023	2022	2021
	(audited) (in € thousand)		
Exchange differences from the translation of foreign operations	74	(301)	(199)
Other comprehensive income / loss for the year, net of tax	74	(301)	(199)
Total comprehensive income / loss for the year	(7,455)	(5,264)	(7,328)

10.3.1.1 *Revenue from Contracts with Customers*

We offer holistic solutions in the field of 3D printing. With our two 100% subsidiaries in the United States and Singapore, our distribution channel extends around the global market. The Group offers various 3D printers, materials and spare parts and printing services, as well as transportation & other services to its customers.

The following table provides a breakdown of our revenue by product or service for the periods indicated:

	For the fiscal year ended December 31,		
	2023	2022	2021
	(audited) (in € thousand)		
Printers.....	6,762	5,927	5,665
Materials and spare parts.....	3,483	2,617	1,562
Printing services.....	476	296	145
Transportation and other services.....	508	222	127
Total.....	11,229	9,062	7,499

We are located in Germany, the United States and Singapore. With these three locations, the distribution channel of the Group extends around the global market, offering its products and services in over 40 countries.

The following table provides an overview of our revenue-allocation by geographical area for the periods indicated:

	For the fiscal year ended December 31,		
	2023	2022	2021
	(audited) (in € thousand)		
Germany	6,023	4,519	4,468
U.S.	5,206	4,543	3,031
Singapore ⁽¹⁾	0	0	0
Total.....	11,229	9,062	7,499

(1) Due to the nature as sales office, the external revenue is booked in BigRep (Germany).

10.3.1.1.1 *Comparison of the Fiscal Years Ended December 31, 2022 and 2023*

Revenue from contracts with customers increased from €9,062 thousand in the fiscal year ended December 31, 2022 by €2,167 thousand to €11,229 thousand in the fiscal year ended December 31, 2023 primarily due to stronger customer demand for 3D printers as well as for consumables and stronger sales performance.

10.3.1.1.2 *Comparison of the Fiscal Years Ended December 31, 2021 and 2022*

Revenue from contracts with customers increased from €7,499 thousand in the fiscal year ended December 31, 2021 by €1,563 thousand to €9,062 thousand in the fiscal year ended December 31, 2022 primarily due to stronger customer demand for 3D printers as well as for consumables and stronger sales performance. The introduction of the new printer model ONE.4 in November 2021 contributed to the revenue increase in 2022.

10.3.1.2 Other Income

The following table provides a breakdown of our other income for the periods indicated:

	For the fiscal year ended December 31,		
	2023	2022	2021
		(audited)	
		(in € thousand)	
Income from foreign currency translation	319	587	420
Other sundry income	241	403	130
Income from reduction of liabilities	5	206	–
Government grants	3	1,211	–
Total other income	568	2,407	550

10.3.1.2.1 *Comparison of the Fiscal Years Ended December 31, 2022 and 2023*

Other income decreased from €2,407 thousand in the fiscal year ended December 31, 2022 by €1,839 thousand to €568 thousand in the fiscal year ended December 31, 2023 primarily due to the extensive discontinuation of COVID-19 aid payments in 2023.

10.3.1.2.2 *Comparison of the Fiscal Years Ended December 31, 2021 and 2022*

Other income increased from €550 thousand in the fiscal year ended December 31, 2021 by €1,857 thousand to €2,407 thousand in the fiscal year ended December 31, 2022 primarily due to one-off COVID-19 aid payments in 2022 in the amount of €1,211 thousand.

10.3.1.3 Own Work Capitalized

10.3.1.3.1 *Comparison of the Fiscal Years Ended December 31, 2022 and 2023*

Own work capitalized increased from €1,746 thousand in the fiscal year ended December 31, 2022 by €304 thousand to €2,050 thousand in the fiscal year ended December 31, 2023 primarily due to the development of products to be released in 2024.

10.3.1.3.2 *Comparison of the Fiscal Years Ended December 31, 2021 and 2022*

Own work capitalized decreased slightly from €1,826 thousand in the fiscal year ended December 31, 2021 by €80 thousand to €1,746 thousand in the fiscal year ended December 31, 2022.

10.3.1.4 Cost of Materials

The following table provides a breakdown of our cost of materials for the periods indicated:

	For the fiscal year ended December 31,		
	2023	2022	2021
		(audited)	
		(in € thousand)	
Cost of purchased goods	5,636	4,356	4,325
Cost for purchased services	34	18	37
Cost for raw materials, consumables and supplies	13	101	28
Total	5,683	4,475	4,390

10.3.1.4.1 *Comparison of the Fiscal Years Ended December 31, 2022 and 2023*

Cost of materials increased from €4,475 thousand in the fiscal year ended December 31, 2022 by €1,208 thousand to €5,683 thousand in the fiscal year ended December 31, 2023 primarily due to increased need for materials considering higher demand for 3D printers.

10.3.1.4.2 Comparison of the Fiscal Years Ended December 31, 2021 and 2022

Cost of materials slightly increased from €4,390 thousand in the fiscal year ended December 31, 2021 by €85 thousand to €4,475 thousand in the fiscal year ended December 31, 2022 primarily due to an increased need for materials considering higher demand for 3D printers.

10.3.1.5 Personnel Expenses

The following table provides a breakdown of personnel expenses for the periods indicated:

	For the fiscal year ended December 31,		
	2023	2022	2021
		(audited)	
		(in € thousand)	
Wages and salaries	6,481	5,828	5,612
Social security contributions	769	644	642
Defined contribution plan	440	422	388
Total	7,690	6,894	6,642

10.3.1.5.1 Comparison of the Fiscal Years Ended December 31, 2022 and 2023

Personnel expenses increased from €6,894 thousand in the fiscal year ended December 31, 2022 by €796 thousand to €7,690 thousand in the fiscal year ended December 31, 2023 primarily due to salary increases and a small expansion of our workforce.

10.3.1.5.2 Comparison of the Fiscal Years Ended December 31, 2021 and 2022

Personnel expenses increased from €6,642 thousand in the fiscal year ended December 31, 2021 by €252 thousand to €6,894 thousand in the fiscal year ended December 31, 2022 primarily due to salary increases.

10.3.1.6 Other Expenses

The following table provides a breakdown of our other expenses for the periods indicated:

	For the fiscal year ended December 31,		
	2023	2022	2021
		(audited)	
		(in € thousand)	
Legal and consulting fees	1,364	488	407
Freight and handling expenses	929	889	552
Third-party service expenses	720	426	354
Advertising expenses	530	477	219
Currency exchange expenses	424	245	133
Traveling expenses	273	191	109
Rent and room expenses	230	304	285
Software license expenses	145	211	227
Insurance expenses	65	69	62
Other sundry expenses	780	654	455
Total other operating expenses	5,460	3,954	2,803

10.3.1.6.1 Comparison of the Fiscal Years Ended December 31, 2022 and 2023

Other expenses increased from €3,954 thousand in the fiscal year ended December 31, 2022 by €1,506 thousand to €5,460 thousand in the fiscal year ended December 31, 2023 primarily due to an increase in legal and consulting fees and third-party service expenses driven by costs associated with the intended business combination with SMG Technology and the intended acquisition of HAGE3D.

10.3.1.6.2 Comparison of the Fiscal Years Ended December 31, 2021 and 2022

Other expenses increased from €2,803 thousand in the fiscal year ended December 31, 2021 by €1,151 thousand to €3,954 thousand in the fiscal year ended December 31, 2022 primarily due to increased expenses for travel and logistics.

10.3.1.7 Earnings Before Interest Taxation Depreciation And Amortization (EBITDA)

10.3.1.7.1 Comparison of the Fiscal Years Ended December 31, 2022 and 2023

Earnings before interest taxation depreciation and amortization (EBITDA) decreased from negative €2,108 thousand in the fiscal year ended December 31, 2022 by €2,878 thousand to negative €4,986 thousand in the fiscal year ended December 31, 2023 primarily due to lower Other Income and higher Cost of Materials, Personnel Expenses and Other Expenses. Our increase in Revenue from Contracts with Customers could not offset the decline in these items.

10.3.1.7.2 Comparison of the Fiscal Years Ended December 31, 2021 and 2022

Earnings before interest taxation depreciation and amortization (EBITDA) increased from negative €3,960 thousand in the fiscal year ended December 31, 2021 by €1,852 thousand to negative €2,108 thousand in the fiscal year ended December 31, 2022 primarily due to higher Revenue from Contracts with Customers and higher Other Income.

10.3.1.8 Depreciation Expenses

10.3.1.8.1 Comparison of the Fiscal Years Ended December 31, 2022 and 2023

Depreciation expenses slightly decreased from €884 thousand in the fiscal year ended December 31, 2022 by €59 thousand to €825 thousand in the fiscal year ended December 31, 2023.

10.3.1.8.2 Comparison of the Fiscal Years Ended December 31, 2021 and 2022

Depreciation expenses decreased from €1,037 thousand in the fiscal year ended December 31, 2021 by €153 thousand to €884 thousand in the fiscal year ended December 31, 2022 reflecting the lower level of property, plant and equipment compared to the previous year.

10.3.1.9 Amortization Expenses

10.3.1.9.1 Comparison of the Fiscal Years Ended December 31, 2022 and 2023

Amortization expenses decreased from €1,679 thousand in the fiscal year ended December 31, 2022 by €193 thousand to €1,486 thousand in the fiscal year ended December 31, 2023 primarily due to the decrease in amortization on older products.

10.3.1.9.2 Comparison of the Fiscal Years Ended December 31, 2021 and 2022

Amortization expenses decreased from €1,951 thousand in the fiscal year ended December 31, 2021 by €272 thousand to €1,679 thousand in the fiscal year ended December 31, 2022 primarily due to an extraordinary write-off in 2021, which was not recurring in 2022.

10.3.1.10 Operating Result (EBIT)

10.3.1.10.1 Comparison of the Fiscal Years Ended December 31, 2022 and 2023

Operating result (EBIT) decreased from negative €4,671 thousand in the fiscal year ended December 31, 2022 by €2,626 thousand to negative €7,297 thousand in the fiscal year ended December 31, 2023.

10.3.1.10.2 Comparison of the Fiscal Years Ended December 31, 2021 and 2022

Operating result (EBIT) increased from negative €6,947 thousand in the fiscal year ended December 31, 2021 by €2,276 thousand to negative €4,671 thousand in the fiscal year ended December 31, 2022.

10.3.1.11 Finance Result, Net

The following table provides a breakdown of our finance income and finance costs for the periods indicated:

	For the fiscal year ended December 31,		
	2023	2022	2021
	(audited)		
	(in € thousand)		
Finance income			
Other interest and similar income	–	–	–
Total finance income	–	–	–
Finance costs			
Interest expenses from loans	64	64	36
Interest expenses from shareholder loan	90	3	–
Interest expenses from lease liabilities	53	93	117
Other interest and similar expenses	–	1	5
Total finance costs	207	161	158
Finance result	(207)	(161)	(158)

10.3.1.11.1 *Comparison of the Fiscal Years Ended December 31, 2022 and 2023*

Financial result, net, decreased from negative €161 thousand in the fiscal year ended December 31, 2022 by €46 thousand to negative €207 thousand in the fiscal year ended December 31, 2023 primarily due to increased interest expenses due to new shareholder loans we took out in 2023. A decrease in interest expenses from lease liabilities could not offset this increase.

10.3.1.11.2 *Comparison of the Fiscal Years Ended December 31, 2021 and 2022*

Financial result, net, decreased from negative €158 thousand in the fiscal year ended December 31, 2021 by negative €3 thousand to negative €161 thousand in the fiscal year ended December 31, 2022 primarily due to a loan drawn during 2021, having a higher total interest effect in 2022.

10.3.1.12 Profit / Loss Before Tax (EBT)

10.3.1.12.1 *Comparison of the Fiscal Years Ended December 31, 2022 and 2023*

Profit / Loss before tax (EBT) decreased from negative €4,832 thousand in the fiscal year ended December 31, 2022 by €2,673 thousand to negative €7,505 thousand in the fiscal year ended December 31, 2023.

10.3.1.12.2 *Comparison of the Fiscal Years Ended December 31, 2021 and 2022*

Profit / Loss before tax (EBT) increased from negative €7,105 thousand in the fiscal year ended December 31, 2021 by €2,273 thousand to negative €4,832 thousand in the fiscal year ended December 31, 2022.

10.3.1.13 Income Tax

The following table provides a breakdown of our income tax expense for the periods indicated:

	For the fiscal year ended December 31,		
	2023	2022	2021
	(audited)		
	(in € thousand)		
Current income tax			
Current income tax charge	(15)	(1)	–
Total current tax expense	(15)	(1)	–

Deferred taxes

	For the fiscal year ended December 31,		
	2023	2022	2021
	(audited) (in € thousand)		
Origination and reversal of temporary differences	(428)	(151)	108
Recognition of previously unrecognized tax losses	418	21	(132)
Total deferred taxes	(10)	(130)	(24)
Income tax expense reported in the statement of profit and loss.....	(25)	(131)	(24)

10.3.1.13.1 Comparison of the Fiscal Years Ended December 31, 2022 and 2023

Income tax decreased from €131 thousand in the fiscal year ended December 31, 2022 by €106 thousand to €25 thousand in the fiscal year ended December 31, 2023 primarily due to an increase in the recognition of previously unrecognized tax losses and a resulting reduction in deferred taxes.

10.3.1.13.2 Comparison of the Fiscal Years Ended December 31, 2021 and 2022

Income tax increased from €24 thousand in the fiscal year ended December 31, 2021 by €107 thousand to €131 thousand in the fiscal year ended December 31, 2022 primarily due to an increase in deferred taxes.

10.3.1.14 Profit / Loss for the Year

10.3.1.14.1 Comparison of the Fiscal Years Ended December 31, 2022 and 2023

Profit / Loss for the year decreased from negative €4,963 thousand in the fiscal year ended December 31, 2022 by €2,566 thousand to negative €7,529 thousand in the fiscal year ended December 31, 2023.

10.3.1.14.2 Comparison of the Fiscal Years Ended December 31, 2021 and 2022

Profit / Loss for the year increased from negative €7,129 thousand in the fiscal year ended December 31, 2021 by €2,166 thousand to negative €4,963 thousand in the fiscal year ended December 31, 2022.

10.3.1.15 Total Comprehensive Income / Loss for the Year

10.3.1.15.1 Comparison of the Fiscal Years Ended December 31, 2022 and 2023

Total comprehensive income / loss for the year decreased from negative €5,264 thousand in the fiscal year ended December 31, 2022 by €2,191 thousand to negative €7,455 thousand in the fiscal year ended December 31, 2023.

10.3.1.15.2 Comparison of the Fiscal Years Ended December 31, 2021 and 2022

Total comprehensive income / loss for the year increased from negative €7,328 thousand in the fiscal year ended December 31, 2021 by €2,064 thousand to negative €5,264 thousand in the fiscal year ended December 31, 2022.

10.4 Assets, Equities and Liabilities

10.4.1 Assets as per the Consolidated Balance Sheet

The following table provides an overview of our assets as of the dates indicated:

	As of December 31,		
	2023	2022	2021
	(audited) (in € thousand)		
Intangible assets	3,529	2,965	2,895
Property, plant and equipment	903	600	765
Right-of-use assets	311	761	1,144

	As of December 31,		
	2023	2022	2021
	(audited) (in € thousand)		
Non-current financial assets.....	150	151	137
Deferred tax assets	3	5	21
Total non-current assets	4,896	4,482	4,962
Inventories	4,039	2,297	1,755
Advance payments on inventories	19	83	293
Trade receivables.....	2,415	1,745	1,054
Current financial assets	5	7	15
Other current assets	331	177	418
Cash and cash equivalents.....	649	1,777	2,458
Total current assets	7,458	6,086	5,993
Total assets	12,354	10,568	10,955

10.4.1.1 Total Non-Current Assets

10.4.1.1.1 *December 31, 2023 Compared to December 31, 2022*

Total non-current assets slightly increased from €4,482 thousand in the fiscal year ended December 31, 2022 by €414 thousand to €4,896 thousand in the fiscal year ended December 31, 2023 mainly as a result of an increase in intangible assets, property, plant and equipment, which outweighed the decrease in our right-of-use assets.

10.4.1.1.2 *December 31, 2022 Compared to December 31, 2021*

Total non-current assets decreased from €4,962 thousand in the fiscal year ended December 31, 2021 by €480 thousand to €4,482 thousand in the fiscal year ended December 31, 2022 mainly as a decrease in right-of-use assets due to shorter remaining real estate lease terms.

10.4.1.2 Total Current Assets

10.4.1.2.1 *December 31, 2023 Compared to December 31, 2022*

Total current assets increased from €6,086 thousand in the fiscal year ended December 31, 2022 by €1,372 thousand to €7,458 thousand in the fiscal year ended December 31, 2023 mainly as a result of an increase in inventories and trade receivables, which outweighed the decrease in our cash and cash equivalents.

10.4.1.2.2 *December 31, 2022 Compared to December 31, 2021*

Total current assets slightly increased from €5,993 thousand in the fiscal year ended December 31, 2021 by €93 thousand to €6,086 thousand in the fiscal year ended December 31, 2022, which is within the usual fluctuation of the total current assets.

10.4.2 Equity and Liabilities as per the Consolidated Balance Sheet

The following table provides an overview of our equity and liabilities, as of the dates indicated:

	As of December 31,		
	2023	2022	2021
	(audited) (in € thousand)		
Share capital	666	583	537
Share premium	60,383	53,665	50,474
Other reserves.....	(618)	(692)	(391)
Retained earnings	(57,299)	(49,770)	(44,806)
Total equity	3,132	3,786	5,814
Non-current financial liabilities	3,328	800	806
Non-current lease liabilities	16	358	802
Other non-current liabilities.....	10	–	1,075

	As of December 31,		
	2023	2022	2021
	(audited) (in € thousand)		
Deferred tax liabilities.....	–	–	–
Total non-current liabilities	3,354	1,158	2,683
Current financial liabilities.....	1,691	2,011	161
Current lease liabilities.....	340	487	404
Short-term employee benefits	1,357	403	311
Current provisions	197	153	192
Contract liabilities	306	541	404
Trade payables.....	1,830	1,148	874
Other current liabilities	148	881	113
Total current liabilities	5,869	5,624	2,459
Total equity and liabilities	12,354	10,568	10,955

10.4.2.1 Total Equity

10.4.2.1.1 *December 31, 2023 Compared to December 31, 2022*

Total equity decreased from €3,786 thousand in the fiscal year ended December 31, 2022 by €654 thousand to €3,132 thousand in the fiscal year ended December 31, 2023 mainly as a result of the net loss of €7,479 thousand, which was not offset by the increase in share capital and share premium following the capital increase in kind through the contribution of shareholder loans in the principal amount of €5,955 thousand.

10.4.2.1.2 *December 31, 2022 Compared to December 31, 2021*

Total equity decreased from €5,814 thousand in the fiscal year ended December 31, 2021 by €2,028 thousand to €3,786 thousand in the fiscal year ended December 31, 2022, which was primarily a result of the net loss of €4,963 thousand.

10.4.2.2 Total Non-Current Liabilities

10.4.2.2.1 *December 31, 2023 Compared to December 31, 2022*

Total non-current liabilities increased from €1,158 thousand in the fiscal year ended December 31, 2022 by €2,196 thousand to €3,354 thousand in the fiscal year ended December 31, 2023 mainly as a result of the take out of new shareholder loans in the principal amount of €2,520 thousand with a maturity on December 31, 2025.

10.4.2.2.2 *December 31, 2022 Compared to December 31, 2021*

Total non-current liabilities decreased from €2,683 thousand as of December 31, 2021 by €1,525 thousand to €1,158 thousand as of December 31, 2022, mainly due to a decrease in lease liabilities considering shorter remaining real estate lease terms and a reclassification of the liabilities from Share-based payments in other liabilities from non-current on December 31, 2021 to current on December 2022. Such liability amounted to €852 thousand as of December 31, 2021.

10.4.2.3 Total Current Liabilities

10.4.2.3.1 *December 31, 2023 Compared to December 31, 2022*

Total current liabilities increased from €5,624 thousand in the fiscal year ended December 31, 2022 by €245 thousand to €5,869 thousand in the fiscal year ended December 31, 2023 mainly as a result of a decrease in current financial liabilities following the conversion of shareholder loans into equity and the decrease of other current liabilities. The decrease was not outweighed by an increase in short-term employee benefits and trade payables.

10.4.2.3.2 *December 31, 2022 Compared to December 31, 2021*

Total current liabilities increased from €2,459 thousand as of December 31, 2021 by €3,165 thousand to €5,624 thousand as of December 31, 2022, mainly due to an increase of current financial liabilities by €1,850

thousand from new shareholder loans. In addition, the current liabilities increased by €275 thousand due to the reclassification of the share-based payments to current liabilities. Furthermore, the trade payables increased due to higher revenues.

10.5 Liquidity and Capital Resources

10.5.1 Consolidated Statement of Cash Flows

The following table provides an overview of our cash flow statement, for the periods indicated:

	For the fiscal year ended December 31,		
	2023	2022 (audited) (in € thousand)	2021
Profit / Loss for the year	(7,529)	(4,963)	(7,129)
Adjustments for depreciation and amortization	2,311	2,563	2,988
Adjustments for provisions	44	(39)	17
Adjustments for increase/decrease in inventories, trade receivables and other assets that are not attributable to investing or financing activities	(2,582)	(898)	33
Adjustments for increase/decrease in trade payables and other liabilities that are not attributable to investing or financing activities	1,640	225	(1,130)
Adjustments for gains/losses on disposals of non-current assets	(3)	19	60
Adjustments for share-based payments	(715)	(293)	269
Adjustments for finance income/cost	207	161	158
Adjustments for income tax expense	25	131	23
Income taxes paid	–	–	–
Cash flow from operating activities	(6,602)	(3,094)	(4,711)
Payments for intangible assets	(2,050)	(1,749)	(1,928)
Proceeds on disposals of property, plant and equipment	–	–	–
Payments for property, plant and equipment	(685)	(288)	(107)
Interest received	–	–	–
Cash flow from investing activities	(2,735)	(2,037)	(2,035)
Proceeds from issue of share capital and share premium	726	3,501	8,427
Cost of equity transaction	(26)	(377)	(49)
Proceeds from loans and borrowings	8,115	1,860	800
Repayments of loans and borrowings	–	–	(123)
Payments of lease liabilities	(481)	(419)	(340)
Interest paid	(117)	(156)	(153)
Cash flow from financing activities	8,217	4,409	8,562
Net increase/(decrease) in cash and cash equivalents	(1,120)	(722)	1,816
Cash and cash equivalents at beginning of year	1,777	2,458	623
Effect of foreign exchange rate changes	(8)	41	19
Cash and bank balances at end of year	649	1,777	2,458

10.5.1.1 Cash Flow from Operating Activities

10.5.1.1.1 Comparison of the Fiscal Years Ended December 31, 2023 and 2022

Cash flow from operating activities changed by €3,508 thousand from a cash outflow of €3,094 thousand in the fiscal year ended December 31, 2022 to a cash outflow of €6,602 thousand in the fiscal year ended December 31, 2023 due to a €2,566 thousand higher net loss.

10.5.1.1.2 Comparison of the Fiscal Years Ended December 31, 2022 and 2021

Cash flow from operating activities changed by €1,617 thousand from a cash outflow of €4,711 thousand in the fiscal year ended December 31, 2021 to a cash outflow of €3,094 thousand in the fiscal year ended December 31, 2022. Main driver was a €2,166 thousand lower net loss. That was partially offset by several working capital changes totaling €549 thousand.

10.5.1.2 Cash Flow from Investing Activities

10.5.1.2.1 Comparison of the Fiscal Years Ended December 31, 2023 and 2022

Cash flow from investing activities changed by €698 thousand from a cash outflow of €2,037 thousand in the fiscal year ended December 31, 2022 to a cash outflow of €2,735 thousand in the fiscal year ended December 31, 2023 mainly due to higher payments for property, plant and equipment as well as higher payments for intangible assets due to the own work capitalized.

10.5.1.2.2 Comparison of the Fiscal Years Ended December 31, 2022 and 2021

Cash flow from investing activities changed only slightly from a cash outflow of €2,035 thousand in the fiscal year ended December 31, 2021 to a cash outflow of €2,037 thousand in the fiscal year ended December 31, 2022.

10.5.1.3 Cash Flow from Financing Activities

10.5.1.3.1 Comparison of the Fiscal Years Ended December 31, 2023 and 2022

Cash flow from financing activities increased substantially from €4,409 thousand in the fiscal year ended December 31, 2022 by €3,808 thousand to €8,217 thousand in the fiscal year ended December 31, 2023 mainly due to the take out of new shareholder loans in the principal amount of €4,020 thousand.

10.5.1.3.2 Comparison of the Fiscal Years Ended December 31, 2022 and 2021

Cash flow from financing activities decreased substantially from €8,562 thousand in the fiscal year ended December 31, 2021 by €4,153 thousand to €4,409 thousand in the fiscal year ended December 31, 2022, because the improved operating cash flow and a higher starting cash balance at the begin of the period made less financing cash flow necessary.

10.5.2 Capital Expenditures

Our capital expenditures are defined as investments in property, plant and equipment as well as intangible assets.

The following tables provide a breakdown of our capital expenditures for the periods presented:

	For the fiscal year ended December 31,		
	2023	2022	2021
		(audited)	
		(in € thousand)	
Payments for property, plant and equipment ⁽¹⁾	685	288	107
Payments for intangible assets ⁽¹⁾	2,050	1,749	1,928
Capital expenditures⁽²⁾	2,735	2,037	2,035

(1) Taken from BigRep's consolidated statement of cash flows prepared in accordance with IFRS.

(2) Unaudited.

Capital expenditures are not recognized as a measure under IFRS and should not be considered as a substitute for an analysis of our consolidated balance sheet and consolidated statement of cash flow prepared in accordance with IFRS. In addition, our definition of capital expenditures may not be comparable to similarly titled information published by other companies.

10.5.2.1 Future and Planned Capital Expenditures

As of the date of this Prospectus, our Management Board has not made material commitments on future capital expenditures.

10.5.2.1.1 Capital Expenditures since December 31, 2023 and Ongoing Capital Expenditures

Between December 31, 2023 and the date of this Prospectus, we have not made significant capital expenditures, except for the development of new products, which has led to an increase in intangible assets based on own work capitalized.

10.5.2.2 Capital Expenditures in the Years ended December 31, 2023, 2022 and 2021

Capital expenditures in 2023 amounted to €2,735 thousand and primarily comprised capital expenditures for additions to intangible assets, which amounted to €2,050 thousand and related to own work capitalized.

Capital expenditures in 2022 amounted to €2,037 thousand and primarily comprised capital expenditures for additions to intangible assets, which amounted to €1,749 thousand and related primarily to own work capitalized.

Capital expenditures in 2021 amounted to €2,035 thousand and primarily comprised capital expenditures for additions to intangible assets, which amounted to €1,928. Additions to property, plant and equipment amounted to €107 thousand.

All capital expenditures were financed from available cash and cash equivalents.

10.6 **Quantitative and Qualitative Disclosure of Market and Other Risks**

Our management monitors and manages the financial risks associated with our business units through internal risk reporting, which analyzes risks by their scale and scope. Risks include credit risks, liquidity risks and market risks (currency and interest rate risks).

10.6.1 **Credit Risk**

Credit risk is the risk that one party to a financial instrument or customer contract will cause a financial loss for the other party by failing to discharge an obligation. Credit risk comprises both the direct risk of default as well as the risk of decrease of creditworthiness. The carrying amount of financial assets represents the maximum exposure to credit risk.

We regard a financial asset as defaulted if it is unlikely that the debtor will be able to pay its credit obligation in full to the entity without resorting to measures such as liquidation of collateral, if any is available.

We assess at each reporting date whether financial assets at amortized cost are impaired. A financial asset is impaired if one or more events occur that have an adverse effect on the expected future cash flows of the financial asset.

The following tables provide information about the exposure to credit risk and expected credit losses for trade receivables from individual customers as of December 31, 2023 and as of December 31, 2022.

	As of December 31, 2023		
	Weighted-average loss rate (%)	Trade receivables (gross) (audited) (in € thousand)	Loss allowance
Current (not past due)	1%	799	(11)
1-30 days past due.....	6%	720	(46)
31-60 days past due.....	2%	382	(6)
61-90 days past due.....	2%	102	(2)
More than 90 days past due	2%	485	(8)
Total.....	–	2,488	(73)

As of December 31, 2022			
Weighted-average loss rate (%)	Trade receivables (gross)	Loss allowance	
	(audited)		
	(in € thousand)		
Current (not past due)	2%	838	(13)
1-30 days past due.....	1%	415	(6)
31-60 days past due.....	1%	360	(5)
61-90 days past due.....	0%	9	–
More than 90 days past due	25%	197	(50)
Total	–	1,819	(74)

10.6.2 Liquidity Risk

Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure, as far as possible, that we will have sufficient liquidity to meet our liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation. We are currently essentially financed by additional payments of shareholders.

The following tables provide an overview of the maturity profile of our financial liabilities based on contractual undiscounted payments:

As of December 31, 2023					
	< 1 year	1 to 5 years	> 5 years	Total	Carrying amount
	(audited)				
	(in € thousand)				
Trade payables	1,830	–	–	1,830	1,830
Lease liabilities	352	16	–	368	356
Loans and borrowings.....	64	960	–	1,024	800
Liabilities towards shareholders	1,664	2,650	–	4,314	4,050
Other financial liabilities	169	–	–	169	169
Total	4,079	3,626	–	7,705	7,205

As of December 31, 2022					
	< 1 year	1 to 5 years	> 5 years	Total	Carrying amount
	(audited)				
	(in € thousand)				
Trade payables	1,148	–	–	1,148	1,148
Lease liabilities	538	372	–	910	845
Loans and borrowings.....	64	781	243	1,088	800
Liabilities towards shareholders	1,860	–	–	1,860	1,816
Other financial liabilities	195	–	–	195	195
Total	3,805	1,153	243	5,201	4,804

As of December 31, 2021					
	< 1 year	1 to 5 years	> 5 years	Total	Carrying amount
	(audited)				
	(in € thousand)				
Trade payables	874	–	–	874	874
Lease liabilities	503	896	–	1,399	1,206
Loans and borrowings.....	64	585	503	1,152	800
Liabilities towards shareholders	–	–	–	–	–
Other financial liabilities	161	6	–	167	167
Total	1,602	1,487	503	3,592	3,047

10.6.3 Market, foreign currency and interest rate risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. The market risk can be divided into three types of risk: Foreign currency risk, interest rate risk, and other price risks. Other price risks are not considered as risks for us. We manage our market risk on a centralized basis with the objectives of managing and controlling market risk exposures within acceptable parameters.

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. We have foreign operations mainly in the U.S. and are exposed to fluctuations in foreign exchange rates of the U.S. Dollar. In this regard, there is a potential currency risk on December 31, 2023, however, the management does not consider this currency risk as significant, due to the fact that management can essentially counteract these potential risks through future price mechanisms. Please see Section “1.2.13 Currency exchange rate fluctuations could have material adverse effects on our financial results.” for further information.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. We only have fixed interest loan agreements and therefore are not exposed to an interest rate risk.

10.6.4 Capital Management

Our objectives with regard to capital management are, on the one hand, to safeguard our ability to continue as a going concern in order to continue to generate returns for our shareholders and to render other interested parties the services to which they are entitled, and, on the other hand, to maintain the capital structure in order to reduce the cost of capital. To optimize the cost of capital, the capital structure is continuously monitored on the basis of various financial ratios. In this context, the most important key indicator is the equity ratio, where we target an equity ratio greater than 40%. Our equity ratio developed as follows:

	As of December 31, 2023	As of December 31, 2022
	(audited)	
	(in € thousand)	
Total equity	3,182	3,786
Total assets	12,354	10,568
Equity ratio	26%	36%

10.7 Contingent Liabilities and Contingent Assets

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events that are outside of our control. Furthermore, present obligations are contingent liabilities if it is not probable that an outflow of resources will be required to settle the obligation and/or the amount of the obligation cannot be estimated with sufficient reliability.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are outside of our control.

There are no contingent liabilities or contingent assets at the reporting dates.

10.8 Significant Accounting Policies

The preparations of our consolidated financial statements in accordance with IFRS require our management to make judgments, estimates and assumptions that affect the reported amounts of revenues, income, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

For more information on our accounting policies as well as our significant accounting judgments, estimates and assumptions, see Note 3 on page F-82 *et seq.* and Note 5 on page F-94 *et seq.* to our consolidated financial statements as of and for the fiscal years ended December 31, 2022 and December 31, 2021 and Note 2

on page F-35 *et seq.* and Note 4 on page F-47 *et seq.* to our consolidated financial statements as of and for the fiscal year ended December 31, 2023.

10.9 Changes in Accounting Standards

A number of new accounting standards became applicable as of January 1, 2023, or will become applicable in future years. None of which, with the exception of IFRS 18, are expected to have a material impact on our consolidated financial statements. For more information, see Note 4 on page F-93 *et seq.* to our consolidated financial statements as of and for the fiscal years ended December 31, 2022 and December 31, 2021 and Note 3 on page F-46 *et seq.* to our consolidated financial statements as of and for the fiscal years ended December 31, 2023.

11. PRO FORMA CONSOLIDATED FINANCIAL INFORMATION AS OF DECEMBER 31, 2023

11.1 Introduction

On December 20, 2023, amongst others, BigRep GmbH (“**BigRep**” and, together with its consolidated subsidiaries, the “**BigRep Group**”) and SMG Technology Acceleration SE (“**SMG Technology**” and, together with its consolidated subsidiaries, the “**SMG Technology Group**” and, together with the BigRep Group, the “**Group**”) entered into a business combination agreement and on May 28, 2024, into an amendment agreement to such business combination agreement (together, the “**Business Combination Agreement**”). Pursuant to the Business Combination Agreement, several transactions will occur, and in connection therewith, SMG Technology will become the legal parent company of BigRep, and its direct and indirect subsidiaries, (the “**Business Combination**”).

The structure of the Business Combination shall result in SMG Technology becoming the legal parent of BigRep through the acquisition of 100% of BigRep shares by SMG Technology. BigRep shareholders will contribute and transfer their shares in BigRep to SMG Technology and, in consideration for such BigRep shares, will receive a total of 8,625,418 new class A shares with an accounting par value of €0.0548 (the “**Consideration Shares**” and, together with the Conversion Shares (as defined below), the “**New Public Shares**” and, together with all existing class A shares of SMG Technology, the “**Public Shares**”) issued by SMG Technology, in proportion to their original shareholdings in BigRep.

Furthermore, the sponsor of SMG Technology, SMG Technology Holding S.à r.l. (the “**Sponsor**”), had initially subscribed to 21,900,000 class B shares in SMG Technology (the “**Sponsor Shares**”). Following the Reverse Stock Split, these now reflect 2,190,000 Sponsor Shares. On May 27, 2024, the Sponsor sold 13,100,000 Sponsor Shares in SMG Technology to de Krassny GmbH. Following the Reverse Stock Split, these now reflect 1,310,000 Sponsor Shares. As part of the Business Combination, SMG Technology will issue, to holders of Sponsor Shares, an additional 1,560,000 Sponsor Shares against payment of their par value. All outstanding 3,750,000 Sponsor Shares in the Company will convert on a one-on-one basis into Public Shares on the day of the consummation of the Business Combination (the “**Conversion Shares**”). This conversion of Sponsor Shares into Public Shares is not part of the Business Combination transactions but will occur immediately following the Business Combination closing.

In addition, 2,100,000 Public Shares of certain shareholders of SMG Technology will be redeemed by the respective shareholders in return for the subscription of an equal number of class C shares with certain liquidation preferences (the “**Preferred Shares**”) in connection with the Business Combination.

In addition, 875,000 out of these 8,625,418 Consideration Shares will be transferred from the BigRep shareholders to de Krassny GmbH, KLK HOLDINGS LTD, Apollo Beteiligungs GmbH, and Koehler Invest GmbH (the “**Cornerstone Investors**”) (the “**BigRep Shareholders Incentive Share Transfer**”).

Also, in connection with the Business Combination, participants in BigRep’s employee incentive program (the “**ESOP 2017**”), will receive in aggregate, in exchange for the cancellation and release of each ESOP 2017 option, 161,802 out of the 8,625,418 Consideration Shares, from the BigRep shareholders, and up to €1,500,000 payment in cash.

In addition, 1,104,211 out of these 8,625,418 Consideration Shares will be transferred from the BigRep shareholders to HAGE Holding GmbH in exchange for HAGE Holding GmbH contributing all shares in HAGE3D GmbH to BigRep (taking into account the BigRep Shareholder Incentive Share Transfer), in accordance with a share contribution agreement between BigRep and HAGE Holding GmbH signed on November 3, 2023, under which HAGE Holding GmbH contributes all shares in HAGE3D GmbH into BigRep against the issuance of 106,074 new ordinary shares by BigRep under the condition precedent (*aufschiebende Bedingung*) of a declaration of execution to be issued immediately prior to the consummation of the transactions contemplated by the Business Combination. For the purpose of the Unaudited Pro Forma Consolidated Statement of Financial Position as of December 31, 2023 and Unaudited Pro Forma Consolidated Statement of Comprehensive Income for the twelve months ended December 31, 2023, the Group did not consolidate HAGE3D GmbH as it did not consider the HAGE3D acquisition (see “12.13 The HAGE3D Acquisition”) to constitute a significant gross change or a significant financial commitment in accordance with the ESMA Guidelines on disclosure requirements under the Prospectus Regulation of March 4, 2021 (the “**ESMA Disclosure Guidelines**”).

For more information about the transactions, please see Sections “7. Business Combination” and “8. Business Combination Agreement and Ancillary Documents”.

The transactions contemplated above by the Business Combination Agreement (the “**Transactions**”) have a significant impact on the net assets, financial position and results of operations of the SMG Technology Group and the BigRep Group, and will substantially affect the results of operations going forward. Therefore, the unaudited pro forma consolidated financial information prepared by SMG Technology consists of:

- unaudited pro forma consolidated statement of financial position as of December 31, 2023; and
- an unaudited pro forma consolidated statement of comprehensive income for the twelve months ended December 31, 2023 as accompanied by the related pro forma notes thereto (together, the “**Unaudited Pro Forma Consolidated Financial Information**”);

The purpose of the Unaudited Pro Forma Consolidated Financial Information is to illustrate the material effects that the Capital Reorganization (as defined below) would have had on the SMG Technology Group and the BigRep Group:

- as of December 31, 2023, as if the Capital Reorganization (as defined below) had occurred on December 31, 2023 for the purpose of the unaudited pro forma consolidated statement of financial position; and
- for the twelve months ended December 31, 2023 as if the Capital Reorganization (as defined below) had occurred on January 1, 2023 for the purpose of the unaudited pro forma consolidated statement of comprehensive income.

The hypothetical financial position or results included in the Unaudited Pro Forma Consolidated Financial Information may differ from the Group’s actual financial position or results, and has been presented for illustrative purposes only. Further, the Unaudited Pro Forma Consolidated Financial Information may not be useful in predicting the future financial condition and results of operations of the Group. The actual financial position and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors. The pro forma adjustments represent management’s estimates based on information available as of the date of the Unaudited Pro Forma Consolidated Financial Information and is subject to change as additional information becomes available and analyses are performed. The Unaudited Pro Forma Consolidated Financial Information is based upon the respective historical audited consolidated financial statements of SMG Technology and the BigRep Group included in the prospectus and should be read in conjunction with the following:

- the BigRep Group’s audited annual consolidated financial statements as of and for the year ended December 31, 2023, prepared in accordance with IFRS as adopted by the European Union;
- the SMG Technology group’s audited annual consolidated financial statements as of and for the period ended December 31, 2023, prepared in accordance with IFRS as adopted by the European Union; and
- other financial information relating to the BigRep Group and SMG Technology included elsewhere in the prospectus.

11.2 Anticipated Accounting Treatment

The Business Combination, which is not within the scope of IFRS 3 since SMG Technology does not meet the definition of a business in accordance with IFRS 3, will be accounted for within the scope of IFRS 2. Based on the Public Shares outstanding after the Business Combination, the Business Combination is accounted for as a capital reorganization (“**Capital Reorganization**”) in accordance with IFRS. Under this method of accounting, SMG Technology is treated as the acquired company for financial reporting purposes. Accordingly, the Business Combination is treated as the equivalent of the BigRep Group issuing shares at the closing for the net assets of SMG Technology as of the closing date, accompanied by a recapitalization. Any excess of fair value of BigRep shares deemed to be issued over the fair value of SMG Technology’s identifiable net assets acquired represents compensation for the service of a stock exchange listing for its shares and is expensed as incurred. Ultimately, the expense recognized in accordance with IFRS 2 will be based on the difference between the fair value of the Public Shares deemed issued to SMG Technology shareholders and the fair value of SMG Technology’s identifiable net assets at consummation, may differ materially based on the fluctuation in the share price of SMG Technology’s shares, due to, among other things, developments occurring prior to the date of consummation of the Business Combination. No goodwill or other intangible assets will be recorded by BigRep Group in connection with the Business Combination.

Within the Business Combination, BigRep Group has been determined to be the accounting acquirer based on the evaluation of the following facts and circumstances:

- BigRep shareholders will have the largest ownership interest and voting interest in the post-combination group with approximately 52.41% ownership voting interest;
- The post-combination group's management board will consist of two members which are existing managing directors of BigRep;
- The operations of the post-combination group will primarily represent the operations of BigRep Group.

11.3 Historical Financial Information Included in the Unaudited Pro Forma Consolidated Financial Information

The unaudited pro forma consolidated statement of financial position as of December 31, 2023 combines the historical annual consolidated statement of financial position of BigRep Group as of December 31, 2023, and the historical annual consolidated statement of financial position of SMG Technology Group as of December 31, 2023 as if the Business Combination and related transactions had been consummated on January 1, 2023. The unaudited pro forma consolidated statement of comprehensive income for the twelve months ended December 31, 2023 combines the historical annual consolidated statement of comprehensive income of the BigRep Group for the year ended December 31, 2023 and the historical annual consolidated statement of comprehensive income of SMG Technology Group for the period ended December 31, 2023 as if the Business Combination and related transactions had been consummated on January 1, 2023.

The unaudited pro forma consolidated statement of financial position as of December 31, 2023 has been prepared using the following:

- BigRep Group's audited annual consolidated statement of financial position as of December 31, 2023, which are derived from the audited annual consolidated financial statements of BigRep Group as of and for the year ended December 31, 2023 and which are published together with the Unaudited Pro Forma Consolidated Financial Information; and
- SMG Technology Group's audited annual consolidated statement of financial position as of December 31, 2023, which are derived from the published audited annual consolidated financial statements of SMG Technology as of and for the period ended December 31, 2023.

The unaudited pro forma consolidated statement of comprehensive income for the twelve months ended December 31, 2023 has been prepared using the following:

- BigRep Group's audited annual consolidated statement comprehensive income for the twelve months ended December 31, 2023, which are derived from the audited annual condensed consolidated financial statements of BigRep as of and for the twelve months ended December 31, 2023 and which are published together with the Unaudited Pro Forma Consolidated Financial Information; and
- SMG Technology Group's audited annual consolidated statement of comprehensive income for the period ended December 31, 2023, which are derived from the published audited annual consolidated financial statements of SMG Technology for as of and for the period ended December 31, 2023.

The historical audited annual consolidated financial statements of BigRep Group have been prepared in accordance with IFRS as adopted by the European Union and its reporting currency is the euro. SMG Technology's audited annual consolidated financial statements have been prepared in accordance with IFRS as adopted by the European Union and its reporting currency is the euro.

11.3.1 Accounting Policy Conformity Changes

As part of the preparation of the Unaudited Pro Forma Consolidated Financial Information, certain line items were renamed to align SMG Technology's historical financial information in accordance with the presentation and financial statement line items of BigRep's historical financial information. Refer to the following tables:

Unaudited pro forma consolidated statement of financial position

BigRep	SMG Technology
Current financial assets	Receivable from related parties
Other current assets	Other receivables
Other current liabilities	Payable to related party
Trade payables	Trade and other payables
Retained Earnings	Accumulated deficit

Unaudited pro forma consolidated statement of comprehensive income

BigRep	SMG Technology
Other expenses	Other operating expenses

11.4 Basis of Pro Forma Preparation

The Unaudited Pro Forma Consolidated Financial Information has been prepared to illustrate the effects of the Transactions and has been prepared for informational purposes only.

The Unaudited Pro Forma Consolidated Financial Information has been prepared in accordance with the principles described in Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards to the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, Annex 20 Pro Forma Information.

As the Business Combination will be accounted for as a capital reorganization of BigRep Group, with BigRep Group as the accounting acquirer, the consolidated financial statements of the future combined group will be prepared by using the accounting policies of the accounting acquirer. Therefore, the Unaudited Pro Forma Consolidated Financial Information has been prepared consistently in all material aspects on the basis of IFRS as adopted by the European Union and the accounting policies of BigRep Group, as described in detail in the notes to the audited consolidated financial statements as of and for the year ended December 31, 2023. Consequently, for the preparation of the Unaudited Pro Forma Consolidated Financial Information, certain account renaming and reclassification adjustments were made to the historical financial information of SMG Technology Group, as described in note 11.3.1 above. The Unaudited Pro Forma Consolidated Financial Information should be read in conjunction with these accounting policies and the audited annual consolidated financial statements of BigRep Group as of and for the year ended December 31, 2023.

The historical financial statements of BigRep Group and SMG Technology Group have been adjusted through pro forma adjustments in the Unaudited Pro Forma Consolidated Financial Information to give effect to the events that are directly attributable to the Transactions and factually supportable. Management has made significant estimates and assumptions in its determination of the pro forma adjustments. As the Unaudited Pro Forma Consolidated Financial Information has been prepared based on these preliminary estimates, the final amounts recorded may differ materially from the information presented.

The pro forma adjustments reflecting the closing are based on certain currently available information and certain assumptions and methodologies that are considered reasonable under the circumstances. The pro forma adjustments, which are described in the accompanying pro forma notes, may be revised as additional information becomes available and is evaluated. Therefore, it is likely that the actual adjustments will differ from the pro forma adjustments and it is possible the difference may be material. The assumptions and methodologies are considered to provide a reasonable basis for presenting all the significant effects of the Transactions based on information available at this time and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the Unaudited Pro Forma Consolidated Financial Information.

The Unaudited Pro Forma Consolidated Financial Information does not necessarily reflect what the post-combination group's financial condition or results of operations would have been had the Transactions occurred on the dates indicated. They also may not be useful in predicting the future financial condition and results of operations of the post-combination group. The actual financial position and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors.

The Unaudited Pro Forma Consolidated Financial Information does not reflect the income tax effects of the pro forma adjustments as based on the statutory rate in effect for the historical periods presented given. SMG Technology incurred losses during the historical periods presented and income tax effects would result in offsetting and unrecognized temporary differences. It is also expected that the impact of the Transactions for BigRep would result in offsetting temporary differences.

BigRep Group and SMG Technology Group did not have any historical relationship prior to the Transactions. Accordingly, no pro forma adjustments were required to eliminate activities between the two group companies.

11.5 Pro Forma Assumptions

11.5.1 Business Combination Date and Accounting Acquirer

The Unaudited Pro Forma Consolidated Financial Information is presented on the basis that BigRep is the accounting acquirer. For purposes of the Unaudited Pro Forma Consolidated Financial Information, the unaudited pro forma consolidated statement of financial position as of December 31, 2023 assumes that the Transactions occurred on December 31, 2023. This means that for the purpose of the unaudited pro forma consolidated statement of financial position, the consolidation criterion is met as of December 31, 2023. The unaudited pro forma consolidated statements of comprehensive income for the twelve months ended December 31, 2023 also presents the pro forma effect to the Business Combination as if it had been completed on January 1, 2023.

11.5.2 Shares Deemed Issued

For purposes of the Unaudited Pro Forma Consolidated Financial Information, it is assumed that the fair value of Public Shares deemed issued was estimated to be €11.900 per share at December 31, 2023. The fair value of the 3,750,000 Sponsor Shares was estimated to be €10.200 per share. The fair value of the 2,100,000 Preferred Shares was estimated to be €7.463 per share at expected Business Combination date (*i.e.*, July 31, 2024).

The fair values of the Sponsor Shares and Preferred Shares are determined using the aggregated price of Public Shares adjusted for risk of Business Combination failure, transfer restrictions, time value and liquidity discount. The values of the shares deemed issued are only for the purposes of preparing the Unaudited Pro Forma Consolidated Financial Information and will change at consummation and may differ materially on the fluctuations in the price of the Public Shares through the closing date.

11.5.3 Public Warrants and Sponsor Warrants

SMG Technology placed in total 1,100,000 class A warrants, each with the right to subscribe for one Public Share at a stated exercise price of €7.00, with investors (the "**Public Warrants**"). The Public Warrants and sponsor warrants issued in a private placement (the "**Sponsor Warrants**") are considered part of the SMG Technology Group's net assets acquired by BigRep Group in the Business Combination, as the Public Warrants and Sponsor Warrants have been classified as liability on the historical financial statements of SMG Technology Group in accordance with IAS 32. However pursuant to the Business Combination Agreement, as amended, the Sponsor Warrants will be forfeited and cancelled for no consideration. The fair value of the Public Warrants amounts to €0.1259 per Public Warrant and is determined according to both the Binomial Tree method and the Monte Carlo method as of December 31, 2023.

11.5.4 Public Share Redemption and Issue of Preferred Shares

Concurrent with the Business Combination, holders of the Public Shares have the opportunity to request the redemption of all or a portion of their Public Shares upon the completion of the Business Combination at a per share value of €10.00, payable in cash. 95,262 Public Shares are to be redeemed in this frame.

Pursuant to the Business Combination Agreement, the Cornerstone Investors have agreed in the support agreement to redeem all its 2,100,000 Public shares subject to the condition precedent that such Cornerstone Investors subscribe for an equal number of redeemable Preferred Shares issued by SMG Technology.

For purposes of the Unaudited Pro Forma Consolidated Financial Information, the accounting acquirer analysis has been prepared using the assumptions summarized above with respect to a number of Public Shares and Preferred Shares.

The following table summarizes the pro forma number of Public Shares and Preferred Shares outstanding after redemptions and the assumptions described herein:

	Share Ownership in SMG Technology ⁽¹⁾	
	Number of Shares	Percentage of Outstanding Shares
BigRep shareholders	7,588,616	52.41%
Cornerstone Investors	5,845,000	40.37%
Sponsor.....	880,000	6.08%
BigRep ESOP 2017 beneficiaries.....	161,802	1.12%
Public shareholders	4,733	0.02%
	—	—
Total.....	14,480,151	100%⁽²⁾

- (1) The ownership structure presented in this table shows the total number of Public Shares and Preferred Shares issued by the Group in connection with the Business Combination other than Public Shares held as treasury shares by the Company or any of its subsidiaries as these treasury shares carry no voting and profit participation rights in the Company.
- (2) Figure does not include treasury shares held by the Company or its subsidiaries and hence deviates from the total number of shares outstanding presented otherwise in this Prospectus.

11.5.5 Share Issuance

The Pro Forma adjustments in respect of the share issuance are based on the following assumptions:

- For the purposes of the unaudited pro forma consolidated statement of comprehensive income and statement of financial position, it is assumed that the share issuance took place on January 1, 2023.
- It is assumed BigRep will issue additional 106,074 shares to HAGE Holding GmbH in exchange for the contribution by HAGE Holding GmbH of all its shares in HAGE3D GmbH. However, for the purpose of the Unaudited Pro Forma Consolidated Statement of Financial Position as of December 31, 2023 and Unaudited Pro Forma Consolidated Statement of Comprehensive Income for the twelve months ended December 31, 2023, the Group did not consolidate HAGE3D GmbH as it did not consider the HAGE3D acquisition (see “12.13 The HAGE3D Acquisition”) to constitute a significant gross change or a significant financial commitment in accordance with the ESMA Disclosure Guidelines.
- It is assumed that the 772,462 shares of BigRep held by BigRep Shareholders are transferred and contributed to SMG Technology and exchanged into 8,625,418 New Public shares, based on the contribution-in-kind value, occurred as of January 1, 2023.

11.5.6 New ESOP

SMG Technology and BigRep have agreed on a new employee share option program (the “New ESOP”) (see “8.5 New ESOP”) which will comprise 1,000,000 options for the subscription of Public Shares for the benefit of SMG Technology executives and BigRep employees, which includes subsidiaries, each for the subscription of 1 share at a price of €12.50 following the Reverse Stock Split. The New ESOP will be put in place after the consummation of the Business Combination and has therefore not been included in the pro forma adjustments.

11.5.7 Acquisition of BSL BigRep Service GmbH

Under the Business Combination Agreement, BigRep has agreed to terminate the Existing ESOPs with effect as of the closing of the Business Combination. To settle all outstanding claims under the Existing ESOPs, immediately following the closing of the Business Combination, (i) BigRep shall pay the beneficiaries under the ESOP 2015 in cash; and (ii) BSL BigRep Service GmbH (“BSL”) shall receive 161,802 Consideration Shares

from the BigRep Shareholders on a pro rata basis, of which 113,217 Consideration Shares shall be allocated to the beneficiaries of the ESOP 2017 and 48,585 Consideration Shares shall be allocated to the BigRep management. BSL will become a subsidiary of BigRep and will act as trustee for BigRep under the ESOP 2017. In addition, BigRep shall make an additional cash payment to the beneficiaries of the ESOP 2017. BigRep plans to acquire BSL for its nominal value of €25,000 before the closing of the Business Combination. However, for the purpose of the Unaudited Pro Forma Consolidated Statement of Financial Position as of December 31, 2023 and Unaudited Pro Forma Consolidated Statement of Comprehensive Income for the twelve months ended December 31, 2023, the Group did not consolidate BSL as it did not consider the acquisition of BSL to constitute a significant gross change or a significant financial commitment in accordance with the ESMA Disclosure Guidelines.

11.5.8 Transaction-Related Costs

For the purposes of the Unaudited Pro Forma Consolidated Financial Information, the non-recurring preliminary estimated transaction costs expected to be incurred related to the Business Combination subsequent to December 31, 2023 until the closing by SMG Technology and BigRep are approximately €3.1 million.

11.6 Unaudited Pro Forma Consolidated Statement of Financial Position as of December 31, 2023 and Unaudited Pro Forma Consolidated Statement of Comprehensive Income for the Twelve Months Ended December 31, 2023

11.6.1 Unaudited Pro Forma Consolidated Statement of Financial Position as of December 31, 2023

	SMG Technology Acceleration SE	BigRep GmbH	Total before adjustments	Pro forma adjustments	Ref.	Total after adjustments
	(in € thousand)					
Assets						
Non-current assets						
Intangible assets	–	3,529	3,529	–		3,529
Property, plant and equipment	–	903	903	–		903
Right-of-use assets	–	311	311	–		311
Non-current financial assets	–	150	150	–		150
Investment in subsidiary	–	–	–	106	C	106
				86,254	D	86,254
				(86,254)	E	(86,254)
Deferred tax assets	–	3	3	–		3
Total non-current assets	–	4,896	4,896	106		5,002
Current assets						
Inventories	–	4,039	4,039	–		4,039
Advance payments on inventories	–	19	19	–		19
Trade receivables	–	2,415	2,415	–		2,415
Current financial assets	2,920	5	2,925	–		2,925
Other current assets	4	331	335	–		335
Cash in escrow	22,061	–	22,061	(22,061)	A	–
Cash and cash equivalents	28	649	677	22,418	A	23,095
				(105)	B	(105)
				85	F	85
				(953)	H	(953)
				(3,074)	J	(3,074)
				5,270	K	5,270
				(1,500)	L	(1,500)
Total current assets	25,013	7,458	32,471	80		32,551
Total assets	25,013	12,354	37,367	186		37,553

	SMG Technology Acceleration SE	BigRep GmbH	Total before adjustments	Pro forma adjustments	Ref.	Total after adjustments
	(in € thousand)					
Equity and liabilities						
Equity						
Share capital.....	120	666	786	106	C	892
				473	D	473
				(773)	E	(773)
				85	F	85
Share premium.....	750	60,383	61,133	85,782	D	146,915
				(92,948)	E	(92,948)
				5,328	G	5,328
Treasury shares	-	-	-	(953)	H	(953)
Other reserves	-	(618)	(618)	37,360	M	36,742
Retained earnings.....	(7,466)	(57,299)	(64,765)	357	A	(64,408)
				7,466	E	7,466
				(481)	G	(481)
				6,272	I	6,272
				(3,074)	J	(3,074)
				(536)	L	(536)
				(37,360)	M	(37,360)
Total equity.....	(6,596)	3,132	(3,464)	7,104		3,640
Non-current liabilities						
Other non-current financial liabilities.....	-	3,328	3,328	3,470	K	6,798
Non-current lease liabilities.....	-	16	16	-		16
Other non-current liabilities.....	-	10	10	-		10
Total non-current liabilities.....	-	3,354	3,354	3,470		6,824
Current liabilities						
Redeemable Class A shares.....	20,624	-	20,624	(105)	B	20,519
				(20,519)	G	(20,519)
Redeemable Class C shares.....	-	-	-	15,672	G	15,672
Warrants - Class A.....	1,385	-	1,385	-		1,385
Warrants - Class B.....	6,272	-	6,272	(6,272)	I	-
Current financial liabilities.....	44	1,691	1,735	1,800	K	3,535
Current lease liabilities.....	-	340	340	-		340
Short-term employee benefits.....	-	1,357	1,357	(897)		460
Current provisions.....	-	197	197	-		197
Contract liabilities.....	-	306	306	-		306
Trade payables.....	3,284	1,830	5,114	-		5,114
Other current liabilities.....	-	147	147	(67)	L	80
Total current liabilities.....	31,609	5,868	37,477	(10,388)		27,089
Total liabilities.....	31,609	9,222	40,831	(6,918)		33,913
Total equity and liabilities.....	25,013	12,354	37,367	186		37,553

11.6.2 Unaudited Pro Forma Consolidated Statement of Comprehensive Income for the Twelve Months Ended December 31, 2023

	SMG Technology Acceleration SE	BigRep GmbH	Total before adjustments (in € thousand)	Pro forma adjustments	Ref.	Total after adjustments
Revenue from contracts with customers	–	11,229	11,229			11,229
Other income	1	568	569			569
Own work capitalized	–	2,050	2,050			2,050
Cost of materials	–	(5,683)	(5,683)			(5,683)
Personnel expenses	–	(7,690)	(7,690)	(536)	AA	(8,226)
Other expenses	(2,539)	(5,460)	(7,999)	(3,074)	BB	(11,073)
				(37,360)	CC	(37,360)
Earnings before interest taxation depreciation and amortization (EBITDA)	(2,538)	(4,986)	(7,524)	(40,970)		(48,494)
Depreciation expenses	–	(825)	(825)	–		(825)
Amortization expenses	–	(1,486)	(1,486)	–		(1,486)
Operating result (EBIT)	(2,538)	(7,297)	(9,835)	(40,970)		(50,805)
Finance income	102	–	102	357	DD	459
Finance costs	(384)	(207)	(591)	(481)	EE	(1,072)
Financial result, net	(282)	(207)	(489)	(124)		(613)
FV gain / (loss) on Class A Warrants	(1,374)	–	(1,374)	–		(1,374)
FV gain / (loss) on Class B Warrants	(3,272)	–	(3,272)	6,272	FF	3,000
Mark-to-market on financial instruments	(4,646)	–	(4,646)	6,272		1,626
Profit / Loss before tax (EBT) ...	(7,466)	(7,504)	(14,970)	(34,822)		(49,792)
Income tax	–	(25)	(25)	–		(25)
Profit / Loss for the year	(7,466)	(7,529)	(14,995)	(34,822)		(49,817)
<i>Items that will be reclassified subsequently to profit or loss:</i>						
Exchange differences from the translation of foreign operations	–	74	74	–		74
Other comprehensive income / loss for the year, net of tax	–	74	74	–		74
Total comprehensive income / loss for the year	(7,466)	(7,455)	(14,921)	(34,822)		(49,743)

11.7 Pro Forma Notes to the Unaudited Pro Forma Consolidated Financial Information

11.7.1 Pro Forma Adjustments to the Unaudited Pro Forma Consolidated Statement of Financial Position as of December 31, 2023

The pro forma adjustments included in the unaudited pro forma consolidated statement of financial position as of December 31, 2023 are as follows:

- A.** Reflects the reclassification of €22,417,716 of amount held in the escrow account, including €356,900 interests earned on escrow account in 2024 up to the Business Combination closing, from cash in escrow account to cash and cash equivalents that becomes available at the Business Combination.
- B.** Reflects the payment of incremental transaction costs in relation to the deferred listing costs of the sole global coordinator and the joint bookrunner of €105,000 resulting in a related decrease to cash and cash equivalents. The deferred listing costs which is incremental costs to the issuance of class A shares is deducted to the carrying amount of the Public Shares.
- C.** In accordance with the Business Combination Agreement, BigRep signed a contribution agreement with HAGE Holding GmbH under which HAGE Holding GmbH will contribute all shares in HAGE3D GmbH to BigRep immediately prior to the consummation of the Business Combination. In exchange BigRep will issue 106,074 new ordinary shares with par value of €1.00 to HAGE Holding GmbH. However, the Group did not consolidate HAGE3D GmbH as it did not consider the HAGE3D acquisition (see “12.13 The HAGE3D Acquisition”) to constitute a significant gross change or a significant financial commitment in accordance with the ESMA Disclosure Guidelines.
- D.** On the date of consummation of the Business Combination Agreement, the BigRep shareholders will transfer to SMG Technology all BigRep shares and as consideration the BigRep shareholders shall receive in the aggregate 8,625,418 New Public Shares of SMG Technology with par value of €0.0548 each.
- E.** The Business Combination resulted in the acquisition of 100% of the BigRep Shares by SMG Technology via the contribution of all BigRep Shares into SMG Technology by the BigRep Shareholders in exchange for the issuance of 8,625,418 New Public Shares for total consideration of €86,254,184. This transaction is treated as Capital Reorganization under IFRS.

The pro forma adjustment shows a decrease in the share capital of €772,462 to bring the capital of the combined entity to the legal capital of SMG Technology and the elimination of the newly acquired investment in BigRep by SMG Technology. The adjustment also includes the elimination of the historical retained earnings of SMG Technology amounting to €7,465,802. All these adjustments decreased the share premium in the amount of €92,947,524.

- F.** In accordance with the support agreement, SMG Technology shall issue 1,560,000 new Sponsor Shares against payment of their accounting par value of €0.0548 each for total amount of €85,488.
- G.** The Cornerstone Investors have agreed in the support agreement to redeem all their 2,100,000 Public Shares subject to the condition precedent that such Cornerstone Investors subscribe for an equal number of redeemable Preferred Shares issued by SMG Technology. The redemption payment and the Preferred Shares issuance price shall be offset.

The pro forma adjustment shows the redemption of all Public Shares with carrying amount of €20,518,769 and corresponding loss on redemption of €481,231. The adjustment also includes the issuance of the redeemable Preferred Shares (classified as financial liability under IFRS) at its fair market value of €15,672,300 and corresponding increase in share premium of €5,327,700 for the difference between fair market value of financial liability and the issue price.

- H.** Reflects the expected redemption of 95,262 Public Shares (those held by investors other than the Cornerstone Investors, which are bound by the divestment and lock-up agreement) prior to Business Combination closing. SMG Technology will purchase back these 95,262 Public Shares at a redemption price of €10.00 per share. No Public Warrants are expected to be redeemed.

- I.** Reflects the cancellation, against no consideration, of all 2,000,000 Sponsor Warrants. The Sponsor Warrants are classified as financial liability under IFRS. The adjustment reflects the reversal of the fair market value of €6,272,000 to the statement of comprehensive income.
- J.** Reflects the transactions costs in relation to the Business Combination. Pursuant to the Business Combination Agreement, as amended, BigRep shall pay its own transaction costs provided that transaction costs incurred by BigRep exceeding €2,500,000 (excluding the payment of €1,500,000 to beneficiaries under the ESOP 2015 and the ESOP 2017 described below in item L) shall be borne by the BigRep Shareholders (except Kreditanstalt für Wiederaufbau Anstalt des öffentlichen Rechts), while the transaction costs of SMG Technology exceeding €2,500,000 shall be borne by the Sponsor. The adjustment reflects the additional transaction costs of €1,497,844 and €1,575,684 not yet included in the audited annual consolidated financial statements as of December 31, 2023 of BigRep and SMG Technology, respectively.
- K.** The pro forma adjustment reflects the additional loans granted in 2024 to BigRep by certain BigRep shareholders.
- L.** BigRep has in place two cash settled employee stock option plans, the ESOP 2015 and the ESOP 2017. As part of these plans, 93,100 options have been allocated to beneficiaries of which none has vested as at December 31, 2023. The program was replaced in 2023 following the Business Combination. The adjustment reflects the payment in cash of up to €1,500,000 to beneficiaries under the ESOP 2015 and the ESOP 2017 of which €67,000 and €897,000 are already provisioned in the audited annual consolidated financial statements as of December 31, 2023 of BigRep. In connection with the Business Combination, participants in the ESOP 2017 will also receive in aggregate 161,802 out of the 8,625,418 Consideration Shares described in adjustment D.
- M.** Reflects the preliminary estimated expense under IFRS 2, for the excess of the fair value of shares deemed issued over the fair value of SMG Technology's identifiable net assets, adjusted for pro forma adjustments as described in adjustments B, F, H, I and J. The fair value of the shares deemed issued were estimated as follows:
- The fair value of Public Shares was estimated based on a market price of €11.900 per share as of December 31, 2023.
 - The fair value of Sponsor Shares was estimated based on a market price of €10.200 per share as of December 31, 2023.
 - The fair value of Preferred Shares was estimated based on a market price of €7.463 per share as of July 31, 2024 (expected Business Combination date).
 - The fair value of Public Warrants was estimated based on a market price of €1.259 per warrant as of December 31, 2023.

The total pro forma adjustments under this subsection resulted in an increase of €37,360,149 in other reserves with a related decrease in accumulated net losses for the same amount.

11.7.2 Pro Forma Adjustments to the Unaudited Pro Forma Consolidated Statement of Comprehensive Income for the Twelve Months Ended December 31, 2023

The Pro Forma adjustments included in the unaudited pro forma consolidated statement of comprehensive income all have one off effect and are as follows:

- AA.** Reflects the adjustment on the cash payment of up to €1,500,000 to beneficiaries under the ESOP 2015 and ESOP 2017 as described above in adjustment L.
- BB.** The adjustment reflects the additional transaction costs of €1,497,844 and €1,575,684 not yet included in the audited annual consolidated financial statements as of December 31, 2023 of BigRep and SMG Technology, respectively, as described above in adjustment J.
- CC.** Represents the preliminary estimated expense in accordance with IFRS 2, in the amount of €37,360,149 for the excess of the fair value of shares deemed issued over the fair value of SMG Technology's identifiable net assets, adjusted for pro forma adjustments as described in adjustments B, F, H, I and J.
- DD.** Reflects the adjustment on the interest income on escrow account in 2024 up to the Business Combination closing as described above in adjustment A.
- EE.** Reflects the finance costs on the loss on redemption of the Public Shares of €481,231 as described above in adjustment G.
- FF.** Reflects the cancellation, against no consideration, of all 2,000,000 Sponsor Warrants. The Sponsor Warrants are classified as financial liability under IFRS. The adjustment reflects the reversal of the fair market value of €6,272,000 to the statement of comprehensive income.

11.7.3 Pro Forma Basic and Diluted Earnings (Loss) per Share

The pro forma basic and diluted net loss per share amounts presented in the unaudited pro forma consolidated statement of comprehensive income are based upon the number of the Public Shares and Preferred Shares outstanding as of December 31, 2023, assuming the Transactions occurred on January 1, 2023. As the unaudited pro forma consolidated statement of comprehensive income is in a loss position, anti-dilutive instruments are excluded in the calculation of diluted weighted average number of ordinary shares outstanding, including 1,100,000 Public Warrants to acquire Public Shares. Public Shares held in treasury are excluded.

As the Transactions are being reflected as if they had occurred at the beginning of the period presented, the calculation of weighted average shares outstanding for basic and diluted net loss per share assumes that the shares issuable relating to the Transactions have been outstanding for the entire period presented.

Pro Forma weighted average number of shares outstanding	
BigRep shareholders	7,588,616 ⁽¹⁾
Cornerstone Investors	5,845,000
Sponsor.....	880,000
BigRep ESOP 2017 beneficiaries.....	161,802
Public shareholders	4,733
Pro Forma weighted average number of Public Shares outstanding	<u>14,480,151</u>
— basic and diluted.....	<u>14,480,151</u>
Pro Forma net loss for the twelve months ended December 31, 2023	€(49,743,231)
Pro Forma net loss per share — basic and diluted for the twelve months period ended December 31, 2023	€(3.44)

(1) The number of shares held by BigRep shareholders includes 2,563,955 Public Shares held by Koehler Invest GmbH which is also an SMG Technology Public shareholder.

11.8 Independent Auditor’s Report on the Compilation of the Pro Forma Consolidated Financial Information.

To the Management Board of
SMG Technology Acceleration SE
Société européenne

R.C.S. Luxembourg B279346

9, rue de Bitbourg
L-1273 Luxembourg.

INDEPENDENT AUDITOR’S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED FINANCIAL INFORMATION INCLUDED IN A PROSPECTUS

We have completed our assurance engagement to report on the compilation of pro forma consolidated financial information of SMG Technology Acceleration SE (“**SMG Technology**” or the “**Company**” and, together with its consolidated subsidiaries, the “**SMG Technology Group**” or the “**Group**”) by the Management Board. The pro forma consolidated financial information consists of the pro forma consolidated statement of financial position as of 31 December 2023, the pro forma consolidated statement of comprehensive income for the year then ended, and related notes. The applicable criteria on the basis of which the Management Board has compiled the pro forma financial information are specified in Annex 20 of Commission Delegated Regulation (EU) 2019/980, as amended (the “**EU Regulation**”) and described in the related notes to the pro forma financial information (the “**Applicable Criteria**”).

The pro forma financial information has been compiled by the Management Board to illustrate the impact of the business combination of SMG Technology and BigRep GmbH (“**BigRep**” and, together with its consolidated subsidiaries, “**BigRep Group**”) set out in the pro forma notes, Section “*11.1 Introduction*”, on the Group’s financial position as of 31 December 2023 as if the transaction had taken place on 31 December 2023, and its financial performance for the year then ended as if the transaction had taken place on 1 January 2023.

As part of this process, information about the Group’s financial position and financial performance has been extracted by the Management Board from:

- SMG Technology Group’s consolidated financial statements for the year ended 31 December 2023, on which an audit report has been issued;
- BigRep Group’s consolidated financial statements for the year ended 31 December 2023, on which an audit report has been issued;
- other financial information relating to the BigRep Group and SMG Technology Group included elsewhere in the prospectus.

Responsibility of the Management Board for the pro forma consolidated financial information

The Management Board is responsible for compiling the pro forma financial information on the basis of the Applicable Criteria and ensuring that this basis is consistent with the accounting policies applied by the accounting acquirer¹ for the preparation of its consolidated financial statements in accordance with the International Financial Reporting Standards as adopted by the European Union (“**IFRS EU**”).

Responsibilities of the réviseur d’entreprises agréé

Our responsibility is to express an opinion, as required by Annex 20, Section 3 of Commission Regulation (EC) No 2019/980, about whether the pro forma consolidated financial information has been compiled, in all material respects, by the Management Board on the basis of the Applicable Criteria and whether this basis

¹ The transaction being considered as a reverse acquisition as per IFRS 3, SMG Technology (the legal acquirer) is designated as the acquiree for accounting purposes, and BigRep (the legal acquiree) as the accounting acquirer.

is consistent with the accounting policies applied by the accounting acquirer for the preparation of its consolidated financial statements in accordance with IFRS EU.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE 3420), *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Institut des réviseurs d'entreprises.

We apply International Standard on Quality Management 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants as adopted for Luxembourg by the "*Commission de Surveillance du Secteur Financier*", which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We have planned and performed procedures to obtain reasonable assurance about whether the Management Board has compiled, in all material respects, the pro forma financial information on the basis of the Applicable Criteria and whether this basis is consistent with the accounting policies applied by the accounting acquirer for the preparation of its consolidated financial statements in accordance with the International Financial Reporting Standards as adopted by the European Union ("**IFRS EU**").

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated financial information.

The purpose of pro forma consolidated financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of an entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome would have been as presented had the event or transaction actually occurred on 31 December 2023.

A reasonable assurance engagement to report on whether the pro forma consolidated financial information has been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Management Board in compiling the pro forma consolidated financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to the Applicable Criteria; and
- the pro forma consolidated financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the auditor's judgment, having regard to the auditor's understanding of the nature of the Company, the event or transaction in respect of which the pro forma consolidated financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma consolidated financial information has been properly compiled on the basis stated in the pro forma notes and such basis is consistent with the accounting policies applied by the accounting acquirer for the preparation of its consolidated financial statements in accordance with IFRS EU.

Restriction of use of the report

This report is required by the EU Regulation and is solely provided for the purpose of being included in the Prospectus to comply with the requirements of the EU Regulation and for no other purpose.

The pro forma financial information of the Company has not been prepared in accordance with the requirements of Regulation S-X of the United States of America (the “US”) Securities and Exchange Commission or practices generally accepted in the US. Our procedures on the proforma financial information have not been carried out in accordance with auditing standards or other standards and practices generally accepted in the US. Accordingly, our report should not be relied upon as if our procedures had been carried out in accordance with those standards and practices.

Luxembourg, 26 July 2024

For Forvis Mazars, Cabinet de révision agréé
5, rue Guillaume J. Kroll
L-1882 Luxembourg

Fabien DELANTE
Réviseur d’entreprises agréé

12. BUSINESS DESCRIPTION

The following section describes the business conducted by BigRep, which we will continue to pursue.

12.1 Our Vision

Our vision is to become a globally leading distributed AM business by scaling distributed AM with intelligent, open AM solutions to help our customers, accelerate their innovation chains, make their products and production more flexible, and grow their businesses.

12.2 Overview of Our Business

We believe we are one of the fastest-growing AM businesses. Our holistic approach of offering AM solutions comprising reliable German-engineered hardware, tailored materials, intelligent software, and a wide variety of services, in our opinion, sets us apart from our competitors and allows us to meet the needs of a growing and diversifying market. The success of our business and the trust of our customers is evidenced by more than 800 large-format AM systems installed across a broad range of customers from various industries, in particular automotive, aerospace, and manufacturing as well as our strong revenue growth with a CAGR of approximately 22% between 2021 and 2023. With our hybrid sales model of direct sales through our own sales force and e-shop as well as our broad network of global resellers, we have, by our own estimate, the ability to offer industrial, large-format 3D printing solutions for a very broad range of applications such as rapid prototyping, manufacturing tooling such as jigs and fixtures, forms and molds, as well as end- and spare-part production to a broad customer base globally. Today, BigRep counts blue-chip companies such as Ford, Deutsche Bahn, Canyon, and Airbus, and hidden champions like Zoeller or Magirus, but also educational institutions, research institutes, and innovative start-ups among its customers. We have steadily contributed and will continue to contribute to the development of 3D printing and the improvement of traditional production processes and the acceleration of innovation processes.

In 2023, the total 3D printing market was around €18 billion (*source: Wohlers Report 2024*) including both small desktop as well as industrial systems, and services. For industrial AM, covering metal and polymer AM, the market amounted to €10.5 billion comprising systems (>€10,000), materials, and print services (*source: AMPOWER Report 2024*). The polymer industrial AM market is more than two times as large as the one for metal AM, with the metal segment currently growing faster compared to the polymer part. The total industrial AM market is expected to reach a valuation of €20 billion in 2028 with a CAGR of 13.9% until then (*source: AMPOWER Report 2024*).

With our holistic approach, we offer more than just a 3D printer. We deliver AM solutions comprising reliable German-engineered hardware, including the BigRep ONE, STUDIO, PRO, ALTRA 280, IPSO 105 and VIIIO 250 as well as intelligent software for ease of use and productivity, including BigRep FLOW, BLADE and CONNECT. Unlike key competitors, we are open and give our customers the freedom to use tailored BigRep branded and quality-controlled materials, such as standard and specialty biopolymers as well as engineering performance polymers, or to use third-party filaments. Our broad value-adding services include part printing in BigRep's 3D Partlabs, application and materials consulting, training, and eLearning via BigRep's ACADEMY, and installation and maintenance services to ensure fast customer success pre- and after-sale also for less skilled users.

A team of around 100 competent employees in Germany, the United States, and Singapore successfully and quickly moves projects forward thanks to broad-based expertise, many years of experience and excellent know-how. Research and development pull together with project engineers and service and application technicians to realize holistic solutions from a single source – from project acquisition to continued life-time support and customer value driving repeat and recurring business. Risks, effects, and possibilities are considered at all times and the highest level of professionalism is achieved.

We procure supplies from leading suppliers only, most of which are in Germany or Europe, and pursue a hybrid sales model with direct sales and the use of resellers. Our broad network of global resellers consists of more than 50 active resellers covering more than 40 countries. We generate direct sales through our own sales force and our e-shop for materials and spare parts – BigRep HUB.

After our launch in 2014, we swiftly expanded our business, with revenue increasing at a CAGR of approximately 22% between 2021 and 2023 clearly outperforming the polymer industrial AM market (CAGR 9.8%) (*source: AMPOWER Report 2024*). While the effects of the COVID-19 pandemic adversely affected us as

it affected our competitors and other sectors, our business quickly rebounded. In 2023, we achieved revenue of €11,229 thousand, up from €9,062 thousand in 2022 and €7,499 thousand in 2021. While we have heavily invested in research and development and, therefore, are not yet profitable, we aim to achieve our break-even at the end of 2025 leading to a planned consolidated profit for the year 2026.

12.3 Our Market Opportunity

12.3.1 Numerous Shortcomings of Conventional Manufacturing Processes

Historically, processes such as casting, stamping, molding and machining have dominated global manufacturing, but have numerous limitations, including high upfront expenses in the form of tools, long lead times for parts due to designing and manufacturing these tools, minimum volume requirements in order to achieve cost efficiencies, and little room for design iteration without increasing time-to-market and development costs. The development of computer numerical controlled machining (“**CNC Machining**”), which does not require a mold or die, enabled lower-volume production with reduced lead times. However, CNC Machining has its own shortcomings, such as typically higher part costs for complicated parts, significant material waste, heavy involvement from specialist technicians, and time intensive machine programming. Each of these conventional manufacturing processes also creates design restrictions that can result in significantly higher part weights and costs or require assemblies, adversely impacting performance in favor of manufacturability and driving additional manufacturing and supply chain complexity.

12.3.2 AM’s Potential to Overcome Shortcomings of Conventional Manufacturing

AM, or 3D printing, is a technology used to manufacture three-dimensional objects. 3D printers usually use plastic polymer materials or metals and form objects by adhering layers to each other in succession. Like many other manufacturing technologies, a 3D printer’s production is mapped with computer-aided design (“**CAD**”) models. Digital models are “sliced” by specialized 3D printing software, called slicers, into individual layers and accompanying support structures, then printed.

AM addresses many of the limitations of conventional manufacturing, including CNC Machining, through a combination of flexibility, ease of use and cost, making it an efficient and effective process across the product life cycle, from design and prototyping to production. This process eliminates the need for tooling inputs and provides a range of benefits, including:

- **Speed.** Businesses can manufacture design files at the push of a button with no tooling required. While design cycles for conventional manufacturing can take weeks or months, AM can shorten this cycle to days due to the ability to rapidly switch between or iterate on designs without excessive delay. Such improvements in time-to-market for new products can help businesses react more rapidly to shifts in customer demand. In addition to accelerated time-to-market, the 3D printing process itself is fast, with impressive, geometrically complex objects often printed in a matter of hours, depending on the size.
- **Design Flexibility.** Conventional manufacturing can force design compromises as a result of subtractive manufacturing processes or the use of tools. While 3D printing may involve design guidelines primarily to reduce dependency on supports and optimize process success as well, designers generally have freedom to produce geometries not possible or economically feasible with conventional manufacturing.
- **Low Cost.** Manufacturing costs can be determined by three metrics – material, operating and labor expenses. Unlike wasteful reductive manufacturing techniques, including CNC Machining, 3D printing is an “additive” process that uses just enough material to produce an object. As a single unattended process, operating and labor expenses are reduced by a consolidated process that frees staff for other tasks. Since 3D printers do not require object-specific tooling, manufacturers can also save costs whenever implementing product changes.
- **Assembly Consolidation.** Improved design flexibility enables the consolidation of sub-assemblies into single parts, which can improve assembly cost and reliability by reducing the number of failure points in a product. Decreasing part quantity is also a productivity breakthrough for many businesses. With fewer unique parts to fabricate, procure, store, and assemble, businesses can drastically simplify their supply chains.

- **Mass Customization.** AM enables the customization and production of designs with small lot-sizes at scale, eliminating costs traditionally associated with multiple tools and tooling changeover as well as reducing the risk of excess inventory and material obsolescence. Each part printed using AM can be identical to or radically different from the other parts within a given print.
- **Supply Chain Re-Engineering.** AM is suitable for end-use parts and spare parts production can improve supply chains by enabling on-demand manufacturing in distributed locations. Decentralized networks of AM systems with low tooling and set-up costs can replace centralized facilities with conventional manufacturing equipment in locations frequently selected because of lower cost of labor. In addition, producing parts near the point and time of demand can significantly reduce lead times, inventories, and dependencies on forecasting without incurring additional costs related to logistics and customs.
- **Sustainable Manufacturing.** Though some forms of 3D printing are more ecological than others, we believe the nature of AM technologies, which use just enough material to produce an object, can be more environmentally friendly than subtractive techniques. It requires fewer material inputs and reduces material waste. By enabling optimized geometries lighter than conventionally manufactured counterparts, AM can also lead to downstream sustainability benefits, including reduced energy consumption. In addition, by reducing supply chain complexity, AM can reduce emissions from transporting physical goods around the world.

12.3.3 Increased Demand for AM in Many Industries

The need for adaptation in many industries in connection with sustainability, digitalization, acceleration of innovation and production processes as well as increasing product individualization fundamentally promotes the demand for 3D printers. In the past, industrial 3D printing was particularly interesting for prototyping applications. From this experience in industry, but also due to the increasingly available infrastructure of 3D printers in companies, training of employees and availability of materials and technologies, industrial 3D printing is finding its way into more and more fields of application. In addition to products, 3D printed parts are also increasingly used in production itself for the manufacture of production aids, forms and molds or packaging.

Moreover, the COVID-19 pandemic, and the supply chain issues it triggered, demonstrated the benefits of 3D printing with fast response times and opportunities for decentralized supply.

In the future, the 3D printing market will continue to grow very strongly and at an accelerated rate, as it represents a perfect answer to supply chain difficulties and adaptation pressure on the industry to make production processes more flexible and complement traditional manufacturing methods. The market researchers at AMPOWER expect a CAGR of 13.9% across all market segments until 2028. BigRep's technology segment of industrial polymer extrusion is expected to grow even faster at around 18% p.a. (*source: AMPOWER Report 2024*).

12.4 Our Strengths

We believe that the following competitive strengths have been the primary drivers of our success in the past and will continue to set us apart from our competitors in the future:

- **Holistic Approach.** We make our customers successful by offering more than just a 3D printer. We deliver AM solutions comprising reliable, German-engineered hardware as well as intelligent software for ease of use and productivity. Unlike key competitors, we are convinced that an open materials system, which gives our customers freedom to use tailored BigRep materials or to use third-party filaments unlocks new applications both by its versatility and cost per part improvements. Our services include part printing, application and materials consulting, training, as well as installation and maintenance services to ensure fast customer success pre- and after sale, also for less skilled users. We consider our holistic approach a revenue engine as it ensures customer success, which drives repeat sales on the one hand and creates recurring Lifetime Value business, together comprising around 40% of our revenues in 2022. We aim to increase our customer life-time value by offering materials, services, software, and spare parts, thus creating "sticky" customer relationships.
- **Most widely used and versatile technology.** BigRep's 3D printing hardware uses material extrusion of thermoplastic polymer materials for printing, which is the most commonly used process in AM, with a share of around 40% of installed industrial systems in 2023 (*source: AMPOWER*

Report 2024). While different techniques may be used in polymer 3D printing, material extrusion of filaments, FFF, also known by its trademarked name Fused Deposition Modeling (FDM), is the most common one, with a share of around 71% in 2021 amongst industrial users surveyed by BASF (*source: Sculpteo*). FFF's widespread adoption stems from its ease of implementation, non-use of toxic materials, its high versatility with a broad range of printable materials, relatively low investment and running cost, and need for only minimal post-processing beyond support structure removal, if any, and minimal cleanup. In FFF 3D printing, a polymer filament is pushed through an extruder that melts the material at the hot-end of the printhead, which is comparable to a hot-glue gun pushing solid glue sticks through its hot nozzle. The polymer material is then deposited in layers by the movement of the print-head onto a build platform or preceding layers as it is pushed through its nozzle, the diameter of which determines the printed part resolution. The huge installed base of over 5 million small, low-cost desktop FFF printers in both consumer (B2B) as well as industrial (B2C) contexts is a strong basis for future growth of BigRep's large-format industrial offering (*source: Wohlers Report 2023*). For customers who seek to scale their usability and cost-saving experiences when printing bigger, complex parts with a broad variety of industrially established polymer materials, FFF technology has distinct advantages compared to other 3D printing technologies in ways that are important for modern manufacturing. When producing various large-sized parts locally and instantly, typically FFF is the technology of choice. In addition, in FFF 3D printing the use of bio-based materials or "closed-loop" material processes are becoming increasingly common, where polymer shredders are used to recycle polymer parts in-house to be reused in the 3D printing process, thereby contributing to sustainable manufacturing.

- **Improved Properties of Plastic Polymer Materials.** The parts produced with plastic polymer materials are often associated with inferior quality in comparison to conventional manufacturing processes. That is why BigRep offers selected advanced plastic polymer materials such as short carbon-fiber-reinforced materials, which improve mechanical and surface properties of the printed part. Via soluble support materials printed with a second print-head in dual mode it is possible to print parts in their optimum orientation to ensure surface quality and/or strength. This dual print capability in large format requires highest machine and calibration precision to ensure user success and productivity, which is achieved with specific sensor and software features available on the systems targeting primarily industrial users. In addition, optimized sets of printing parameters, so-called profiles, for our branded materials ensure print success, surface quality, speed and hence productivity for a broad variety of complex, industrial print geometries. Moreover, our polymers offer high durability to withstand physical stress, UV rays, and high temperatures. Together with our own continuously developed slicer engine BLADE, this enables high print success and a high part quality on the one hand and a high stickiness to use BigRep's branded material options on the other hand.
- **Open Material System.** The variety of filaments is growing rapidly and so is the variety in customer needs. Whether it be for properties of the printed parts or for economical or ecological reasons, many customers do like to work with a specific material. Our open material extrusion technology enables our customers to produce parts with a broad range of materials and hence addressable applications and markets. Our hardware solutions with the flexibility of our open material system empower the user to get good quality and reliability fast with almost any material. Ultimately, our printers will learn and improve on new materials automatically; already today with our Profile as a Service (PaaS) offering we give customers the option to get the best out of their specific material of choice faster and with less effort and risk for sunk costs.
- **Large-format FFF.** Our large-format FFF technology with currently up to one cubic meter build volume unlocks a wide range of applications by printing complex, functional, large-format parts. Using smaller printer sizes, large parts must be divided before slicing, printed separately, and glued together in an imperfect manual process. By manufacturing in full scale, customers save time by not only avoiding multiple print jobs and post-processing, but also make parts stronger. Objects printed with large-format FFF 3D printers are often highly functional parts ranging from end-use products like furniture or recreational vehicles to high-strength industrial tooling. Areas of application include innovation with design, functional and aerodynamic prototyping, flexible manufacturing with e.g. production aids, smart quality controls, and carbon fiber molds and patterns, and end-production such as electric vehicle mass customization, series production of aerospace parts, or props and signage to name few. The application space is vast and continuously growing.
- **Profitability in Production Due to High Uptimes and Short Cycle-Times.** While business cases and potential applications for AM grow rapidly in size and numbers, the hardware often reaches a

painful limit. Simply put, most 3D printers were not designed as production equipment. BigRep's printer systems are engineered in Germany and manufactured in Europe. The feedback of more than 800 installed systems makes us confident that our durability and reliability is clearly above industry average as indicated by repeat sales to blue-chip customers and a functioning used machinery business. The proprietary motion control and sensor logics bring performance beyond what is possible with conventional, sequential tool-path logics.

- **Overcome the Lack of Expert Labor.** 3D printing is a complex manufacturing technology. It requires several experts (from specific engineering knowledge in design to how to run and maintain the equipment), who are hard to find, especially for small and medium-sized companies. That is why the AM market suffers from limited design know-how and poorly skilled users. The proprietary ease-of-use features built into BigRep's hardware as well as BigRep's end-to-end workflow automation solutions like BigRep FLOW and our transparency and productivity platform BigRep CONNECT make it possible to operate AM stably and profitably reducing the need of experts. As a result, we add value to the huge potential of small and medium-sized companies, who so far could not benefit from AM because of the lack of experts. BigRep offers a solution with accurate and auto-calibrated systems, which collect sensor data from every use to allow users to monitor and improve their productivity and BigRep to analyze non-confidential data to improve system and process stability – eventually applying machine learning to increase machine “intelligence” reducing the need for expert knowledge.
- **Training and Customer Service.** BigRep offers a unique training and eLearning opportunity with BigRep ACADEMY, which covers all aspects of large-format AM from fundamentals to expert-level training, including design, slicing, printer operation, troubleshooting, and much more. Customers can access BigRep ACADEMY via our eLearning Platform, remote conferencing or in person at our offices. This ensures continued up-to-date user knowledge during machine implementation, but also in case of operator fluctuation. In addition, BigRep offers three levels of customer service so users can maintain high productivity, produce better prints constantly, and maximize their machine uptime. For fastest troubleshooting 24/7, customers can visit a knowledge base integrated in BigRep's e-shop - HUB. For additional support, customers can access BigRep's on-demand service via an online ticket system, that is tracked for response and resolution times as well as customer satisfaction ratings. If users want to simplify their scheduled maintenance, get even faster support, and cover spare parts, BigRep's annual service contracts give them peace of mind, predictable costs, and reliable performance. Not as a major business model, rather as an incubator for future customers, who are not ready to implement in-house large-format AM capabilities, we offer our 3D Partlabs print-service selling parts until the “make or buy” economics work for future customers in favor of buying a BigRep system.
- **More Sustainability.** BigRep's technology leverages an untapped sustainability potential with the option to use bio-based and recyclable materials with a significant lower carbon footprint compared to conventional plastics. In addition, systematic data integration and management ensures high yield and low waste, with end-to-end workflows allowing significant time and resource savings, and intelligent interaction of hardware and software leads to reduced energy consumption.
- **Global Presence and Distribution Capabilities.** We have developed a broad global distribution network for our AM solutions, comprising over 50 active resellers covering over 40 countries around the world and within a short distance from a significant portion of worldwide manufacturing sector locations. We have also established application centers in the United States, China, and Singapore, through which we directly offer our services to our customers. These application centers provide us with physical presence alongside our reseller locations in or near areas, where many global industrial businesses have manufacturing facilities, providing potential customers with the ability to see our AM systems in operation and evaluate their production capabilities prior to ordering such solutions to bring digital production in-house. We have shown that this hybrid distribution approach allows us to efficiently expand our customer deployments from a single machine to multiple machines and scale across a range of price points and solution complexities, while enabling a tight and ongoing relationship with customers of all sizes.
- **Visionary and Experienced Team.** Our team has more than 330 years of 3D printing experience, comprises individuals of 19 different nationalities, speaking most of our customers' languages and offers a diverse skillset. Our managing director Dr.-Ing. Sven Thate has more than 20 years of experience in innovation and business management (including German blue-chip BASF) as well as venture capital with more than five years of focus on AM. Our managing director Dr. Reinhard

Festag has more than 20 years of experience in senior management and consulting positions in strong growth deep tech and software scale-ups (including German blue-chip Siemens and McKinsey & Company). Our management team is complemented by accomplished and visionary individuals across different sectors, such as industrial, tech start-ups, business and product development, and software product development. Our commercialization efforts are managed by individuals with prior successes in sales and business development in robotic solutions and 2D and 3D printing.

12.5 Our Strategy

To achieve continued success, we have identified the following key elements of our strategy.

- **Intelligent Open AM Systems.** We believe the future of AM will be open, allowing customers to tap into the limitless application opportunities that are unlocked by new materials and their properties. This is what FFF customers demand from most desktop systems and what drives both, new application innovation as well as cost per part reduction. At the same time customers strive for ease of use and peace of mind, *i.e.*, achieving excellent part performance and production yields, eventually at the push of a button. To this aim, we provide branded materials with optimized process settings and high-quality standards to allow customers to be successful right away. We also believe that the combination of AM and artificial intelligence provides for enormous opportunities to reduce total cost of ownership and increase overall equipment efficiency further. BigRep is embracing this opportunity via combining both, human intelligence as well as data science to make our solutions more and more intelligent, driving materials versatility, ease of use, and productivity.
- **Customer Success Drives Rapid Organic Growth Globally.** Customer success via a complete solution, including high-quality German-engineered hardware, productivity software, excellent customer support in an open-materials system, is driving our growth with a high degree of repeat and recurring business. Our global customer experience team advises, (e)trains and supports prospects, customers, and sales partners alike to ensure mutual success with our solutions. The breadth of successful applications implemented by our global customers, from universities, start-ups, and SMEs to Fortune 500 corporations is constantly growing, allowing to “land and expand” within one customer across multiple global sites, as well as scaling within a customer group with similar challenges to be addressed via peer-to-peer recommendations. Our global corporate and go-to-market infrastructures are positioned to effectively identify, scale, and create operating leverage for key market opportunities that can complement and grow our leading position in industrial polymer AM. We are also positioned to weather unexpected downturns, such as during the COVID-19 pandemic, and to scale up during times of growth, capturing market share and increasing revenues, margins, and earnings.
- **Buying and Building for Profitable Growth.** In 2023, the top five industrial AM players accounted for around 47% in terms of printer system revenue, *i.e.*, about half of the market is divided up by countless, small and local companies, most with a market share of less than 1% (*source: AMPOWER Report 2024*). Due to this high fragmentation, the AM market is in a phase of consolidation, mainly leveraging cost synergies by combining operations and different technology portfolios. BigRep is executing a more focused buy-and-build strategy with clear investment criteria with regard to region, technology, and profitable growth path. Europe is a very fertile ground for AM start-ups. At the same time, funding is not as accessible as in other regions. Hence, underfunded and under-critical European companies with smart material extrusion technology on the verge of globalization are currently at the center of our inorganic growth strategy in the coming years. This approach enables BigRep to create a leading industrial open AM platform into which complementary technology, software, materials, and teams can be efficiently integrated. Leveraging global sales and marketing, service, and channel set-up, BigRep aims to accelerate the joint growth and profitability roadmap. The latest proof-of-concept is the signing of an agreement to acquire Austrian HAGE3D GmbH in November 2023. Closing of this acquisition is planned in parallel to the consummation of the Business Combination. By adding a regionally strong business, an excellent team, and a high-temperature FFF product portfolio, BigRep intends to use its established supply chain and channel network to further scale HAGE3D’s business and add customer value to the new products by its own software, materials, and service solutions.
- **Platform Technologies Towards Distributed Digital Manufacturing.** BigRep focuses on developing new technologies towards distributed digital manufacturing of large-format parts. We pursue to build an integrated software ecosystem, which enables data-analysis and data-centric innovation. This allows us to react to customer trends and to realize and roll out innovations better

and faster. At the same time, our solutions empower our customers to do the same, benefitting from data transparency to optimize their AM operations. Moreover, we pursue a networked printer and control platform, so that modular 3D printers are built to be even smarter tomorrow. With this modular platform approach, we aim to reduce complexity and cost, while improving reliability, serviceability, and the ability to upgrade products for future demands *e.g.* by additional sensors and control logics.

- **Automation Strategy to Enhance Customer Productivity.** To enhance productivity and reduce total cost of ownership, BigRep is developing end-to-end solutions with the full workflow in mind. Our award-winning, automated design product FLOW, for example, automates repetitive design tasks reducing the need for skilled CAD and printing specialists. Smart sensors and auto-calibration features on the BigRep PRO reduce manual operator tasks. Collecting non-confidential data from our connected systems with BigRep CONNECT enables us to apply data analysis and machine learning to enhance both our hardware as well as our software, such as BigRep BLADE increasing system intelligence. Examples for system intelligence in development are a material condition- and environment-sensitive print process control, print status aware dynamic maintenance recommendations, and a geometry and material aware printability check to improve customer success. We offer low entrance barriers and scaling options for every user, from beginner to high-end production environments. We aim to make industrial AM mainstream.
- **Extending Our Global Production and Distribution Network.** We see potential for further extending our global production and distribution network, *inter alia*, by localizing printer production to avoid shipping costs, *e.g.* by adding a printer production site in Asia. Such a site or production partner could serve as local production hub as well as low-cost production globally. At the same time, we are continuously adding value adding resellers to our global partner network to further enhance our support close to our customers.

12.6 Our Business

With our qualified workforce, our positioning in industrial, large-format AM, and our three established printer products BigRep PRO, STUDIO, and ONE, our three newly launched printers ALTRA 280, IPSO 105 and VIO 250, as well as our complementing software, materials, and service offerings and their broad industry segment and application range from prototyping via manufacturing aids such as forms & molds, jigs & fixtures, up to small volume end-use and spare parts, and our international set-up, we consider ourselves well positioned to meet the needs of the market.

Besides our main entity, BigRep GmbH in Germany, we operate two subsidiaries, BigRep America Inc. in the United States and BigRep Private Ltd. in Singapore.

Our operations are accounted for under one segment only. However, operationally we split our revenue in the following product portfolios: (i) printers, (ii) materials and spare parts, (iii) printing services, and (iv) transportation & other services. The following table provides a breakdown of revenue of these product portfolios for the periods presented:

	For the fiscal year ended December 31,		
	2023	2022	2021
	(audited)		
	(in € thousands)		
Printers.....	6,762	5,927	5,665
Materials and Spare Parts.....	3,483	2,617	1,562
Printing Services	476	296	145
Transportation & other services.....	508	222	127
Revenue	11,229	9,062	7,499

In addition, we split our revenue by geographic regions: BigRep is responsible for distribution and shipment for the region Europe, Middle East, Africa (“EMEA”) as well as Asia Pacific (“APAC”). BigRep America Inc. (located in the United States) is the responsible entity for distribution and shipment for the region North America. BigRep Private Ltd. (located in Singapore) serves as a sales office for the German entity for the APAC region. Therefore the allocation of revenues to geographical areas is based on the country of domicile of

the respective entities within the BigRep Group. The following table provides a breakdown of revenue of these entities:

	For the fiscal year ended December 31,		
	2023	2022 (audited) (in € thousands)	2021
Germany	6,023	4,519	4,468
United States.....	5,206	4,543	3,031
Singapore ⁽¹⁾	0	0	0
Revenue	11,229	9,062	7,499

(1) Due to the nature as sales office the external revenue is booked in BigRep.

12.6.1 Our Technology

Our technology comprises hardware, material, and software solutions.

12.6.1.1 Our Hardware

BigRep’s hardware is reliable and offers the flexibility to produce big parts as well as large batches of smaller parts with high accuracy and low costs at high speed. In addition, our solutions produce low waste and can, thus, contribute to a reduction of CO₂ output at our customers’ businesses. Our hardware portfolio, comprising the innovation line with the BigRep ONE and the industrial line with the BigRep STUDIO and BigRep PRO, addresses a broad range of applications. In spring 2024, we have launched the BigRep ALTRA 280 and the BigRep IPSO 105 in Europe, the Middle East, and Africa. The BigRep ALTRA 280 is also available in North America. The BigRep ALTRA 280 and the BigRep IPSO 105 update our portfolio to include high-temperature FFF 3D printing and expand into new applications, that can print the full range of standard to high-performance polymers. They have an open material system for a broad filament choice, either with BigRep’s quality filaments or third-party compatible materials. In summer 2024, we have launched the BigRep VIIIO 250, which is our most automated and intuitive 3D printer. The BigRep VIIIO 250 is designed to be an easy-to-use sleek machine for non-stop 3D printing of industrial-grade parts.

- **BigRep ONE.** The BigRep ONE is an award-winning (German Design Award Gold 2016 issued by Rat für Formgebung GmbH), large-format 3D printer at an accessible price point and is the sole model of our innovation line. The innovation line’s typical areas of application are prototyping as well as forms and molds. With over 500 systems installed worldwide, it is a trusted tool of designers, innovators, and manufacturers alike. With a massive one-cubic-meter build volume, the fast and reliable ONE brings designs to life in full scale. The ONE comes equipped with a fiber-ready power extruder that features interchangeable 0.6, 1.0, and 2.0 millimeter nozzles, which selectively dispenses the polymer material, for either high-detail or high-flow AM. With a second extruder option, both dual prints and “tandem mode”, the synchronous print of two similar parts, is possible. With its branded material portfolio comprising mainly bio-based or standard materials we believe it is a perfect choice for desktop printer users aiming to print large-format parts. However, its material capabilities go far beyond this and also make it an entry point into large-format 3D printing for industrial users.
- **BigRep STUDIO.** The BigRep STUDIO is an easy-to-use, large-format 3D printer and the smaller model of our industrial line. The industrial line’s typical areas of application are jigs and fixtures, tooling, end-use parts, and spare parts. With a sleek, space-conscious body, perfect to produce quality parts in any setting, we consider the STUDIO optimal for any workspace, from the office to the factory floor. It is a viable next step up for the many industrial small FFF users to “graduate from desktop” in size and applications. Using engineering-grade materials, the BigRep STUDIO is a durable and cost-effective way to manufacture large-format, quality parts. The STUDIO still boasts a generous build volume of 1000 x 500 x 500 millimeter, around 10 times that of standard desktop 3D printers. Featuring a fully enclosed build envelope and temperature-controlled filament chamber, the fast-heating STUDIO produces incredible results with advanced, engineering materials. Its high-flow STUDIO dual extruder is equipped with two nozzles (either 0.6 millimeter or 1.0 millimeter diameter) optimal for printing geometrically complex parts with specialty Poly-Lactic-Acids, and engineering polymers such as ASA, PETG, TPU, Polyamides, as well as water-soluble support materials, and abrasive materials like carbon-fiber-reinforced plastic quickly and reliably.

- **BigRep PRO.** With a 1 cubic meter build volume, the BigRep PRO is a fully enclosed industrial 3D printer and the bigger model of our industrial line. The industrial line's typical areas of application are jigs and fixtures, tooling, end-use parts, and spare parts. Built for productivity throughout all stages of manufacturing, the PRO provides designers, engineers, and manufacturers with an easy-to-use, agile solution to produce complex, functional parts faster and cheaper. Supported by its precision motions portal and a durable, custom-built gantry, along with Bosch Rexroth CNC Machining components, we believe the PRO consistently delivers on speed, precision, and quality. As a result of the introduction of JUMPSTART, a hybrid software-sensor solution, we consider the PRO very easy to use, self-calibrating for the most challenging dual-printing tasks.
- **BigRep ALTRA 280.** The BigRep ALTRA 280 consists of a large, heated 280-liter build chamber (500mm x 700mm x 800mm), that reaches temperatures up to 180°C. It is featured with a fully automated quick start and it is equipped with state-of-the-art DSX extruders reaching up to 450°C. With up to 4 DSX extruders, the ALTRA 280 is designed to achieve reliable dual extrusion, additionally safeguarded by their respective backup extruders. Designed for productivity, the machine enables flawless prints and functional parts.
- **BigRep IPSO 105.** We consider the BigRep IPSO 105 an industry all-rounder. Designed for tooling applications requiring high-performance materials, the IPSO 105 is engineered to be a tool maker's tool, with a heated build chamber of 105 liters (400mm x 600mm x 440mm) reaching up to 100°C, and a print bed heated up to 180°C. It features dual DSX extruders, capable of printing high-performance materials up to 450°C. Like the BigRep ALTRA 280, the BigRep IPSO 105 is featured with a fully automated quick start.
- **BigRep VIIO 250.** With the BigRep VIIO 250, we believe to set the foundations for widespread adoption of large-format AM in series production of large, accurate strong parts in industrial manufacturing. The BigRep VIIO 250 consists of a 250-liter (1000mm x 500mm x 500mm) spacious build chamber with an active temperature control of up to 50°C. It is equipped with intelligent dual smart manufacturing extruders that reach up to 350°C. Highlights of its features include the infinity box and the relay mode for 24/7 automation and the intuitive human machine interface.

All our hardware are open material systems, which combine reliability and productivity with flexibility and scalability. The open material system allows customers to use BigRep-branded quality filaments as well as third-party materials ensuring a high degree of versatility. With our Profile as a Service (PaaS) offering we enable customers to realize their material-specific applications.

In addition, BigRep offers a high-capacity filament dry cabinet, BigRep SHIELD, for the safe storage of 3D printing materials. Designed to protect industrial workflows by preventing material degradation that leads to damages, the BigRep SHIELD maintains filaments in ideal conditions for both short- and long-term storage.

12.6.1.2 Our Materials

BigRep's portfolio of industrial 3D printer filaments are sourced from carefully selected and controlled suppliers to guarantee quality, *i.e.*, uniform diameter and consistent composition. They are sealed in controlled, low-humidity conditions for safe storage and transportation – ensuring reliable, consistent extrusion, regardless of whether they are used today or after a reasonable shelf-life. Customers may choose from standard and specialty biopolymers, which are primarily used for prototyping and which are associated with low costs and lead time as well as little likelihood to warp, plus a lower CO₂ footprint relative to fossil fuel based polymers. Our specialty biopolymers include PLA, PLX, and PRO HT. Customers may as well pick one of the engineering performance polymers, which are used for industrial use cases and which come with high durability against hazardous environmental conditions and withstand higher physical stress, ultraviolet rays, higher temperatures, etc. Engineering performance polymers include PETG, TPU, ASA, PA6/66, HI-TEMP CF, PA12 CF, and BVOH. In addition, customers may choose from three different colors and a spool size range from 750g to 8kg to meet any industrial print requirement.

12.6.1.3 Our Software

Our software portfolio solves critical challenges. For example, it enables less skilled users to print successfully with easy-to-use software applications and machine connectivity.

- **BigRep FLOW.** BigRep FLOW, our award-winning (Best of Industry Award 2023 issued by Vogel Communications Group) Software as a Service (SaaS) solution, is a fully web-based application,

requiring no engineering design skills, nor 3D printing experience, thereby mitigating the problem of shortage of qualified personnel. With a few clicks, customers can take advantage of BigRep FLOW's intuitive interface and powerful apps to rapidly design and prototype their tooling solutions such as jigs, fixtures, and manufacturing aids. With a growing B2B app store BigRep FLOW is targeting to provide solutions to common repeated design tasks on the manufacturing floor.

- **BigRep BLADE.** BigRep BLADE is a tool that allows customers to customize their prints with precision. BigRep BLADE prepares designs as slices specifically for BigRep machines, while taking into account the distinctive process parameter settings of our BigRep materials. With a wide variety of advanced settings, customers can achieve faster print times, reduce material usage, create lighter parts, and improve aesthetic appearance. BigRep BLADE's intuitive interface makes it easy to fine-tune incoming information to meet customers' specifications. BigRep BLADE calculates and predicts print times, allowing for the best possible, most hassle-free start. BigRep BLADE is currently downloadable for free with a user-friendly design, that even beginners can use with ease.
- **BigRep CONNECT.** BigRep CONNECT is a cloud-based 360-degree solution for connecting with BigRep 3D printers. With CONNECT, customers gain complete control of their printing operations, allowing them to monitor printing hours, track their material usage, receive real-time status notifications, upload files remotely, organize job queues, and access a complete history of their printing activity. Our powerful analytics software offers a complete view of customers' printing, giving them the insights they need to make informed decisions, increase productivity, reduce downtime, and monitor their printers remotely. Moreover, CONNECT is designed to offer secured access from everywhere. BigRep CONNECT in its base version is currently free, so customers can take advantage of all its features at no additional cost or fee.

12.6.2 Our Services

Besides our hardware, material, and software solutions, our customer experience team offers several services to our customers, comprising application consulting, training, customer service, and the 3D Partlab.

- **BigRep Academy.** BigRep offers training to its customers through the BigRep Academy, which covers all aspects of large-format 3D printing from fundamentals to expert-level training, including design, slicing, printer operation, troubleshooting, and much more. Customers and sales partners alike can access BigRep Academy via our scalable eLearning Platform, remote conferencing or in person at our offices.
- **Customer Service.** BigRep's customer service offers three levels of service with the knowledge base in BigRep HUB, an on-demand service, and two service contracts with different features. The two annual service contracts are designed to maintain customers' 3D printers, maximize output, and extend the life of their machines.
- **3D Partlab.** BigRep's 3D Partlabs offers expert 3D prints from prototypes to end use parts with a wide range of materials. Customers can order large 3D printed parts up to one cubic meter from BigRep's large-format 3D printers online and get them delivered to their doorstep. Partlabs primarily serves as an incubator for future customers, who cannot invest in their own BigRep printer yet but are kept within the BigRep ecosystem to eventually become printer customers. At the same time, customer-specific sample prints provided by Partlabs experts are an important step on the way to becoming a customer as the sample prints demonstrate system performance and part quality.

12.6.3 Our Suppliers

BigRep procures its systems from renowned manufacturing service providers. A detailed supplier selection process ensures that a supplier portfolio is built up that is suitable for our planned business development and quality requirements. BigRep counters potential supply-chain bottlenecks by selectively building up secondary suppliers or alternative solutions to the procured goods. The main suppliers are audited regularly, the delivery performance in terms of product and logistics quality is continuously monitored, and deviations are countered with corrective measures.

We procure supplies from leading suppliers only and focus on quality consistent with our standards. More specifically, suppliers for our printers are located in Germany and Hungary, suppliers for our extruders and hot-ends are located in Germany, and key suppliers for our materials are located in Austria, and the Netherlands.

The 3D printers are supplied by two suppliers who build 3D printers based on BigRep's proprietary design and tested according to BigRep's testing and acceptance procedures. The extruders for BigRep's printers are supplied by one supplier based on BigRep's proprietary design and tested according to BigRep's testing and acceptance procedures. Consistent with the revenue split above, those three suppliers make up approximately 75% of the material costs. To mitigate dependencies on a single supplier the printer models were switched between suppliers in the past, and for each new model a new selection process is initiated.

Materials (Filaments) are sourced from five specialized suppliers and specifically tested and packaged for BigRep. The largest of those filament suppliers accounted for about half of the entire filament purchasing volume.

12.6.4 Our Manufacturing and Distribution

Our hardware and materials are manufactured at our suppliers. After being manufactured, our hardware and materials are transported to a third-party warehouse in Krefeld, Germany. From this warehouse, we ship to our customers or to our subsidiary BigRep America Inc. BigRep America Inc. uses a third-party warehouse provider in Peabody, MA, United States. From such warehouse, BigRep America Inc. delivers the products to its customers.

12.6.5 Our Marketing

Our marketing strategy is focused on increasing our brand awareness as well as identifying and engaging with prospects and supporting sales along all stages of the customers' purchasing journey. Our global marketing team is comprised of three teams in the three regions EMEA, North America, and APAC. Product management is responsible for product specifications, continuous feature and portfolio improvements, pricing, and provision of sales enablement materials. Product marketing is responsible for (i) creation of promotional content and marketing assets related to our open AM solutions, (ii) customer success stories, which are distributed via various marketing channels including press and media, our website and our social media channels (Facebook, Instagram, X, LinkedIn, and TikTok) as well as by our reseller's via their channels, and (iii) for trade shows. In addition, the growth marketing team is driving our inbound digital marketing channels, including search engine optimization (SEO), paid ads (SEA), and social postings. Regional marketing is embedded in the sales and business development teams in EMEA, North America, and APAC responsible for cooperating with regional partners on promotional activities and for regional events, including tradeshows, open houses, and regional media contacts.

12.6.6 Our Sales

We pursue a hybrid sales model with direct sales and cooperation with resellers, as well as an e-shop for materials and spare parts called BigRep HUB.

Our broad network of global resellers consists of more than 50 active partners covering more than 40 countries. To be exact, 20 resellers cover the Americas, 19 cover the EMEA, and 16 cover the APAC region in 2021-2023. Our resellers purchase and resell our products to the end-customers, for whom they also perform installation, local support, and maintenance services, with backup support provided by our internal application engineering and customer success teams. Resellers are managed and supported by our regional channel management and business development teams. While our business in the APAC region heavily relies on our resellers, we are selling both directly to key accounts and close to our application hubs in Boston and Berlin as well as via our sales partners in EMEA and North America.

12.7 Intellectual Property

Protection of our intellectual property is fundamental to the long-term success of our business. We believe that our continued success depends in large part on our proprietary technology, the skills of our employees and the ability of our employees to continue to innovate and incorporate advances into our products. We rely on a combination of patents, trade secrets, and trademarks as well as contractual provisions with our employees and third parties to protect our intellectual property rights. We constantly monitor our intellectual property to ensure that all material rights remain in full force and effect. In addition, we have engaged patent and trademark lawyers, who support us in this respect.

12.7.1 Patents and Utility Models

As of December 31, 2023, we own or have applied for more than 15 patents in, amongst others, the EU, Germany, Luxembourg and the United States. We also own two utility models (*Gebrauchsmuster*). BigRep's patents, patent applications and utility models are directed to AM and related technologies, including high-speed extrusion, industrial solutions, and smart printing.

12.7.2 Registered Designs

We do not own or co-own any registered designs.

12.7.3 Trademarks

As of December 31, 2023, we own or have applied for more than ten trademarks, including color and word marks, in Germany and various foreign countries. In particular, the term "BigRep" is protected as a trademark in Germany, the EU, Switzerland, United States, Japan, China, South Korea, Mexico, Canada, and Singapore. In addition, several of our product names are registered as trademarks, or their trademark registrations are pending.

12.7.4 Domains

As of the date of this Prospectus, we are the legal owners of several domains, including the following top-level domains:

- bigrep.com;
- bigrep.us; and
- bigrep.de.

In addition to these above-listed domains, we have other domains, for example those relating to our products, such as the 3D Partlab.

12.8 Compliance Management & Data Protection

We have established a compliance management system aimed at ensuring lawful conduct by our employees. Our compliance system is designed to identify potential violations in advance and to systematically prevent their occurrence. This compliance system comprises, among other things, our code of conduct, which is contained in our employee handbook, covering topics such as anti-discrimination, anti-harassment, and sexual harassment as well as reporting guidelines, which adequately allow employees to report potential compliance violations. Our compliance system is, among other things, aimed at preventing discrimination and any form of harassment.

BigRep has an external data protection officer according to the Regulation (EU) 2016/79 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC, as amended (the "GDPR"). BigRep ensures the data protection compliance of its employees by training and requires a signed commitment to comply with data protection requirements and confidentiality in accordance with the GDPR.

12.9 Employees

Our employees are critical to our success. As of December 31, 2023, we employed a total of 92 employees (full-time equivalents – “FTE”). As of the date of this Prospectus, the overall FTE count increased by 5%, primarily driven by an increase in Sales & Marketing.

The following table shows a breakdown of the number of our FTEs by main area of activity:

Function	For the fiscal year ended December 31,		
	2023	2022	2021
Sales & Marketing	26	23	24
Services & Customer Success	18	16	17
Research & Development	32	33	30
Operations & Administration	16	14	15
Total	92	86	86

We also engage numerous consultants and contractors to supplement our permanent workforce. To date, we have not experienced any work stoppages and consider our relationship with our employees to be in good standing. None of our employees are subject to a tariff or other collective bargaining agreement and there is no works council or other employee representation.

We focus our efforts on creating a collaborative environment, where our colleagues feel respected and valued. We provide our employees with a competitive compensation plan, opportunities for equity ownership through employee stock option programs, and a robust employment package. In addition, we regularly interact with our employees to gauge employee satisfaction and identify areas of focus.

As a fast-growing company, BigRep relies on retaining and attracting talented employees. As a strong employer brand, we have been successful in attracting staff so far. Through the use of culture analysis, feedback sessions and the development of an agile corporate culture, staff turnover is also within reasonable limits.

12.10 Real Estate Property Owned and Leased

Our headquarters are located at Gneisenaustraße 66, 10961 Berlin, Germany.

As of the date of this Prospectus, we do not own any real property. The following table provides an overview of all real property currently leased by us:

Location	Approximate size of effective area (unaudited) (in sqm)	Primary use
Gneisenaustraße 66, 10961 Berlin, Germany.....	1,623	Office & Development
50-E Concord Street, Suite 100, Wilmington, MA 01887, United States	316	Application Center
201 Henderson Road, Apex @Henderson #03-13, Singapore 159545	230	Application Center
Building #5 Fudan Science Park, 1268 ZhongXin Road, Songjiang District, 201615 Shanghai, China	85	Application Center
Building 17, Lane 1450 ZhongXin Road, SongJiang District, Shanghai China.....	85	Staff accommodation

12.11 Insurance Coverage

We have taken out insurance policies we consider customary and necessary in our business, in particular company liability insurance (*Betriebshaftpflichtversicherung*), product liability insurance, and business interruption / loss of earnings insurance. Our insurance policies contain market-standard exclusions and deductibles. We regularly review the adequacy of our insurance coverage and believe that our insurance coverage is in line with market standards in the industry. Nevertheless, we may suffer losses for which no insurance coverage is available or our losses may exceed the amount of insurance coverage under our existing insurance policies.

We have also taken out a directors and officers insurance policy that covers the members of the Management Board with a total coverage of up to €1 million in total and various sub-limits depending on the specific nature of claims.

12.12 Litigation

In the ordinary course of our business activities, we are exposed to litigation, particularly in the areas of product warranty, guarantee claims, delivery and payment delays, competition law, intellectual property disputes, labor disputes and tax matters.

However, we are currently not involved in any governmental, legal or arbitration proceedings with a significant effect and have not been involved in any such proceedings during the twelve-month period prior to the date of this Prospectus. We are not aware of any governmental, legal or arbitration proceedings (whether pending or threatened), which may have, or have had, a significant effect on our financial position or profitability during the twelve-month period prior to the date of this Prospectus.

12.13 The HAGE3D Acquisition

On November 3, 2023, BigRep signed a share contribution agreement with HAGE Holding, under which HAGE Holding has contributed all shares in HAGE3D immediately prior to the consummation of the Business Combination. As consideration for the contribution of the shares in HAGE3D, BigRep has issued shares in itself indirectly to HAGE Holding, which were part of the consummation of the Business Combination.

HAGE3D ended its last fiscal year (April 1, 2022 to March 31, 2023) with revenues of €1,952,947 and a net loss of €180,926. The balance sheet as of the end of HAGE3D's last fiscal year on March 31, 2023 had assets in the amount of €1,317,008 balanced by liabilities in the amount of €1,629,190; provisions of €135,794; investment grants from the Austrian government in the amount of €301,831 and an equity of negative €749,807 (all figures are unaudited). The investment grant will lead to other income in the next years partially offsetting the negative equity. In addition, BigRep is assessing a number of options to maintain HAGE3D's solvency and financial backing in the future. The net loss of HAGE3D is expected to be compensated in the medium term by higher revenues for the HAGE3D product portfolio through expansion of the sales reach via the existing BigRep channels as described in the following.

HAGE3D's revenues were mainly generated by selling 3D printers. The revenue was primarily generated in Germany and Austria. HAGE3D's printers are based on the FFF technology like BigRep's, but they include heated build chambers, which allow printing with certain high-performance polymers. The HAGE3D printers are proprietary developments by HAGE3D and other features. The acquisition of HAGE3D is expected to strengthen BigRep's prominent position in Germany and Austria and its industrial AM sector by adding a locally strong business, an excellent team, and a high-temperature FFF product portfolio. With this step, BigRep intends to realize far-reaching synergies by scaling its full spectrum of low- to high-temperature FFF solutions on its global growth platform, including a strong brand and an extensive reseller and support network, as well as its scalable premium contract manufacturer supply chain. With a combined global team of over 100 passionate AM experts, five strategically located application centers around the world, and an installed base of more than 1,000 large-scale industrial FFF printers in all relevant industrial sectors, BigRep and HAGE3D are striving to serve their broad industrial customer base even better and be commercially more successful doing so.

To bridge the period until closing of the acquisition of HAGE3D, BigRep and HAGE3D entered into a supplier master agreement on May 23, 2024, with a term until September 30, 2024. Pursuant to the agreement, HAGE3D delivers to BigRep HAGE3D's high-temperature FFF 3D printers known as PRECISE and MEX as white label products. BigRep has started to sell and market these printers under the brands BigRep ALTRA 280 and BigRep IPSO 105 (see "12.6.1.1 Our Hardware"). BigRep, in principle, pays HAGE3D 65% of the listing price for each printer, with the first half payable at assignment and the second half payable thirty days following delivery.

12.14 Material Agreements

12.14.1 Bank Loan and Shareholder Loan Agreements

BigRep entered into a subordinated loan agreement as borrower with Investitionsbank Berlin (the "IBB") as lender on June 3, 2021 to operate its business. The principal loan amount is €800 thousand and the interest rate amounts to 8% p.a. The borrower has to notify the lender in the event of the admission of new shareholders. In

case of a violation of the notification requirement, the lender may terminate the agreement. The loan is within the “Berlin Mezzanine” program to support companies during the COVID-19 crisis. The program is backed by the IBB and KfW.

BigRep entered into four bridge loan shareholder agreements in March and April 2023 as borrower with Koehler and BASF as lenders. The principal loan amounts are €300 thousand and €200 thousand, respectively, *i.e.*, €1 million in total. The interest rate of each loan amounted initially to 3% p.a. and repayments of the loans were originally due on June 30, 2024. The lenders of these shareholder loans and BigRep agreed to extend the maturity of these shareholder loans by 18 months until the end of 2025 and to increase the interest rate of such loans from 3% p.a. to 5% p.a. for any outstanding amounts thereunder following July 1, 2024. BigRep entered into an additional bridge loan shareholder agreement in October 2023 as borrower with BASF as lender. The principal loan amount is €500 thousand, the interest rate amounts to 5% p.a. and the maturity date is December 31, 2025.

BigRep entered into another bridge loan agreement in November 2023 as borrower with the shareholders of BigRep in November 2023. The loan consists of loan and equity incentive components. The lenders under the loan have been compensated in 330,000 Consideration Shares in a balance between the lending and the non-lending shareholders of BigRep. A principal amount of €3,590,000 has been drawn under this loan as of the date of this Prospectus. These bridge loans (i) bear interest at 5.0% p.a. and mature on June 30, 2025, with respect to a principal amount of €1,300,000, and (ii) bear interest at 8.0% p.a. and mature on December 31, 2025 with respect to the remaining principal amount of €2,290,000.

In March and April 2024, BASF and Koehler each entered into further shareholder loans with BigRep each totaling €1,200,000. These loans bear interest at 8.0% p.a. and mature on December 31, 2025.

Koehler entered into five further shareholders loans in the total amount of €1.8 million from May 2024 to July 2024 in order to facilitate the closing of the Business Combination. Such further shareholder loans bear interest at 8.0% p.a. and shall have a fixed term until the earlier of (i) the date of the closing of the Business Combination or (ii) November 15, 2024.

12.14.2 Supply Agreements

BigRep has frame agreements with its key suppliers, either frame contracts or frame orders, where BigRep secures the supply for an expected yearly volume. The frame agreements are renewed on a rolling basis. Out of those frame agreements, the individual orders are made based on BigRep’s demand and a pre-agreed production schedule of the supplier.

The frame contract with our first contract manufacturing partner renews automatically for another year at year end. The frame order with our second contract manufacturing partner extends currently to December 2025. Both have pre-agreed production schedules due to the complex nature of the 3D printer. Those schedules require notice periods of a few months for an adjustment of the output. The frame agreements with our extruder contract manufacturer and our main materials supplier extend to December 2024 and allow for flexible call-off orders from BigRep. There are no change of control or other special termination rights included. The agreement may be terminated for good cause.

13. REGULATORY ENVIRONMENT

We are subject to the laws and regulations applicable to our business activities in the countries in which we operate. Moreover, our assembled products must comply with various legal requirements. The general regulatory conditions relevant to our operations and products are subject to change. They are continuously being adapted at the national and international levels (especially by the EU), following the steady technological development, the increased need for safety, and the environmental consciousness of the population. We strive to ensure compliance with these various regulatory regimes by using both Group-wide and, in certain regions such as Germany and the United States, region-specific compliance policies and tactics. The implementation of unfavorable regulations or unfavorable interpretations of existing regulations by judicial or regulatory bodies could require us to incur significant compliance costs. We are cooperating with regulators where applicable, but we cannot predict what, if any, effect any investigations or resolutions thereof, including the effect of any commitments we might make, will have on our business, industry practices, or online commerce more generally.

In particular, the following laws and regulations are critical for manufacturing and distributing our products.

13.1 Regulatory Framework for our Facilities

Manufacturing and other facilities are subject to several permissions and other legal requirements and provisions in all countries where we operate. Furthermore, most applicable national law provisions are widely influenced by EU regulations. The relevant regulatory requirements mainly cover building permits, permits regarding emission control, storage, handling, and use of hazardous substances, production, possession, and handling of waste, the use of water resources, and the treatment and discharge of wastewater as well as soil and groundwater protection and environmental protection in general. Furthermore, the provisions regarding environmental protection are reinforced by strict liability rules for causing environmental damage. The soil protection laws also address contamination of soil due to improper handling of chemicals and other hazardous substances, which may potentially take place at our manufacturing facilities. If contamination of the soil, the groundwater, or the environment, in general, has occurred, or where such pollution was caused in the past, we may, among others, regardless of fault, be legally obliged to conduct investigatory measures, implement remediation measures, and bear the costs of such measures.

13.1.1 Occupational Health and Safety

We conduct business and have employees in different jurisdictions, most of which have established legal requirements concerning the health and safety of employees working in potentially harmful environments. Irrespective of variations of these rules in different jurisdictions, occupational health, and safety rules generally provide employees with a workplace and a work environment free from recognized hazards for the body or health of the employee. We are currently setting up internal rules for our employees and setting up their workplaces to comply with the applicable occupational health and safety requirements in the jurisdictions where we have employees.

13.1.2 Waste Recovery and Management

Directive 2012/19/EU of the European Parliament and Council of 4 July 2012 on waste electrical and electronic equipment, as amended (the “WEEE Directive”), governs the recovery of electric and electronic equipment within the EU and aims at preventing the creation of waste electrical and electronic equipment, contributing to the efficient use of resources and the reuse, recycling, and other forms of recovery of waste electrical and electronic equipment. The WEEE Directive imposes the responsibility for collecting and disposing of waste electrical and electronic equipment on the manufacturers and distributors of such equipment. It requires that manufacturers and distributors set up a collection infrastructure and cover all or a significant part of the costs associated with recovery, reuse, and recycling measures. In Germany, the WEEE Directive has been implemented by the German Federal Electrical Equipment Act (*Elektro- und Elektronikgerätegesetz*).

13.2 Product Safety Requirements and Product Liability

13.2.1 Conformité Européenne (CE) Marking

We are subject to regulations regarding product *conformité européenne* (“CE”) marking. On commercial products, the letters CE state that the manufacturer or importer affirms the good’s conformity with European health, safety, and environmental protection standards. General requirements concerning the CE marking of

products are set out in Regulation (EC) No. 765/2008 of the European Parliament and of the Council of 9 July 2008, setting out the requirements for accreditation and market surveillance relating to the marketing of products. The CE marking is required for goods sold in the European Economic Area (“EEA”) but is also found on products sold elsewhere that have been manufactured to EEA standards. The CE mark indicates that the product may be sold freely in any part of the EEA, regardless of country of origin.

13.2.2 Product Safety Requirements

We have to comply with requirements on general product safety.

- Directive 2001/95/EC of the European Parliament and the Council of 3 December 2001, on general product safety, as amended (the “**Product Safety Directive**”), and its national implementations, applies in the absence of specific provisions. Under the Product Safety Directive, distributors may only supply products that comply with the general safety requirement, must monitor the safety of their products on the market, and must provide the necessary documents ensuring that such products can be traced. If a producer discovers a product is dangerous, it must notify the competent governmental authorities and cooperate with them. Unsafe products may be listed in a database publicly accessible throughout the EU.
- In addition to the Product Safety Directive, special requirements arise out of Directive 2006/42/EC of the European Parliament and of the Council of the European Union of 17 May 2006, on the safety of machinery, which requires a uniform level of protection for accident prevention on machines. Additional details on the safety of specific products and product groups are set out in various regulations. A violation of the requirements of European or national law may be sanctioned with fines and, in severe cases, with criminal sanctions.
- In Germany, we are subject to the German Product Safety Act (*Produktsicherheitsgesetz*) and the regulations and ordinances by which certain European directives have been implemented. According to the German Product Safety Act, a product may be introduced to the market if the intended or foreseeable use is not hazardous to the safety or health of persons or other legally protected interests. If a consumer product manufacturer knows or, based on information available to him or his experience, should know that this consumer product poses a risk to the security or health of persons, he must notify the competent authorities and, if necessary, cooperate with them.
- The German Product Liability Act (*Produkthaftungsgesetz*) provides for an additional liability regime for products that cause injury or death of a natural person or damage to property, and such liability generally applies irrespective of fault (*verschuldensunabhängig*).

13.2.3 Sanctions

A violation of European or national product safety laws and related regulations may be sanctioned with fines and, in severe cases, even with criminal sanctions.

- Under certain circumstances, the product may have to be recalled. Unsafe products may be listed in an EU-wide publicly accessible database. Additional details are in various regulations on the safety of specific products and product groups. A violation of European or national law requirements may be sanctioned with fines and, in severe cases, with criminal sanctions.
- Furthermore, most of the jurisdictions in which we sell our systems have, besides general civil law rules like tort law, established rules on product liability, according to which the manufacturer of a product can be held liable for any damages or losses this product causes due to any defects. In many countries, this liability is given to any person suffering damage or loss or any property damage because of the defective product, regardless of whether there is a contractual relationship between the manufacturer and this person, irrespective of negligence or fault.

13.3 Export and Import Control

Our business is export-oriented, and we distribute our products to customers worldwide. Such export activities are subject to national, European, and international foreign trade regulations and customs laws. Under German law or European legislation, the key regulations can be found in the Customs Code (Regulation (EEC) No 2913/92), in the Customs Code Implementation Regulation (Regulation (EEC) No 2454/93) as well as in the

German Foreign Trade Law (*Außenwirtschaftsgesetz*), the German Foreign Trade Regulation (*Außenwirtschaftsverordnung*) and Council Regulation (EC) No 428/2009 set up a European Union regime for the control of exports, transfer, brokering and transit of “dual-use” items capable of having both a civil and a military purpose including relevant lists of goods that are subject to export control. Furthermore, country and person/entity-specific restrictions outlined in national law and European legislative acts (*e.g.*, due to the imposition of sanctions by the UN Security Council or the Organization for Security and Cooperation in Europe) need to be observed. The legal framework of export and import controls may include the requirement of prior approval by competent authorities for the export or import of our products under certain circumstances.

An export license from the German Federal Office of Economics and Export Control (*Bundesamt für Wirtschaft und Ausfuhrkontrolle*); a superior federal authority subordinated to the Federal Ministry of Economic Affairs and Energy (*Bundesministerium für Wirtschaft und Energie*) is always required if the goods to be exported are mentioned in the European or national export lists of items that are subject to export control. Goods covered by the lists range from weapons, ammunition, and related production facilities via material, plants, and equipment for nuclear purposes, high-grade materials, specific machine tools, electronic equipment, computers, and telecommunications up to specific chemical units and chemicals. In addition to the licensing requirements for listed items, there are European and national licensing requirements depending on the ordinary and possible use of the items. Technical support and brokering activities are subject to additional controls. An export license may be granted if the export does not impair the foreign policy and security interests of Germany.

Since foreign trade regulations (including the lists of embargoed countries) always have to be adapted to developments in foreign policy, we must regularly reassess compliance with the relevant legal requirements.

13.4 Regulatory Framework for Public Aid

In the past, our research and development expenses have been reduced by a variety of public aid for our research and development activities, which we have received from European and national authorities. Under German law and applicable European regulations and directives, such public assistance may be applied for and may be granted under various more or less specific funding programs, most of which are valid for a certain period. We are currently in the process of applying for a publicly funded project as associated partner.

The implementation of such funding programs, as well as the application for such subsidies, often involves compliance with extensive regulatory requirements, including, in the case of subsidies to be granted in the EU, the prior notification of the contemplated grant to the European Commission. In particular, compliance with project-related ceilings on aggregate subsidies under applicable European legislation often involves highly complex economic evaluations.

In addition, public aid for research and development activities usually entails various legal restrictions and obligations on the part of the beneficiaries, particularly in relation to the results (patents, know-how, software, etc.) generated in funded research and development projects. With regard to research and development funding granted by the European Commission, such restrictions and obligations are set out in grant agreements, which the European Commission concludes for each funded research and development project with the funded consortiums of beneficiaries. According to such grant agreements, we may be obliged to use and disseminate the results generated in the respective projects or to ensure the use and dissemination of such results following a specific plan on the expected use and dissemination of the results. Moreover, our project partners, as well as their affiliated entities, may enjoy access rights to our project results as well as to certain pre-existing information on our part, which may survive the termination of the respective projects. Such access rights may have to be granted either royalty-free or under fair and reasonable conditions. Our partners may also object to any transfer of ownership of project results because it would adversely affect their access rights. In addition, the European Commission may object to any transfer of ownership of, or a grant of an exclusive license to, project results to an entity situated outside the EU if it considers that this is not in accordance with the interests of developing the competitiveness of the European economy. Similar obligations and restrictions may result from research and development funding granted by national authorities. Specifically, national authorities in Germany commonly impose on beneficiaries the “Collateral Provisions for cost-based grants of the Federal Ministry of Education and Research to commercial enterprises for research and development projects”, which contains restrictions and obligations relating, amongst others, to the exploitation of results generated in funded projects and the transfer of, and the grant of licenses to, such results, particularly to entities abroad. The restrictions and obligations associated with research and development funding may stay in force for some time after the end of the funded research and development project.

In case of non-compliance with such funding rules, we may lose our exclusive right of use in relation to funded project results, and the funding authority may revoke the subsidy in whole or in part. The funding may also be revoked, and the funds received may have to be repaid (plus interest) if we come under the control of a foreign investor and the exploitation of the project results takes place exclusively or predominantly abroad or if we lose our status as a small and midsize enterprise.

13.5 Data Protection and Data Privacy

The EU and national legislation extensively regulate the collection, processing, and other use of personal data. At the EU level, data protection is primarily governed by the GDPR and supplemented by national legislation (e.g., the German Federal Data Protection Act (*Bundesdatenschutzgesetz*), “**Data Protection Act**”).

In general, European data protection and data privacy laws regulate when and how personal data may be collected, for which purposes and under which legal basis it may be processed, for how long such data may be stored, and for whom and how they may be transferred. The GDPR contains strict requirements for obtaining the consent (as a legal basis) of data subjects (*i.e.*, the persons to whom personal data relates) to the use and processing of their personal data. Such consent may be withdrawn at any time and without cause, preventing the continued use of the affected data. In addition, a transfer of personal data to countries outside the EEA is subject to specific requirements.

The GDPR also requires organizational measures, such as installing a data protection officer who, among other things, must monitor compliance with the GDPR. In addition, it may require so-called data privacy impact assessments in cases where the data processing is likely to result in a high risk to the rights and freedoms of individuals. From a data security standpoint, the GDPR requires us to implement adequate technical and organizational measures to ensure security appropriate to the organization’s processing requirements and risk.

13.5.1 Consequences of Non-compliance

Non-compliance with the GDPR may result in severe fines. Depending on the individual infringement, penalties of up to 4% of the annual worldwide turnover for the last year (calculated on a group level) or €20.0 million may be imposed (whichever is higher). Additional penalties, such as the deprivation of profits or an immediate prohibition of the data processing activity, may apply. Further adverse consequences of the GDPR infringements may include civil claims for material and immaterial damages of the individuals affected by the infringement. Individual EU member state implementation laws, such as the Data Protection Act, also provide for criminal sanctions for specific violations. Finally, in addition to these regulatory risks, infringement of these laws can lead to reputational risk and significantly undermine customers’ trust in our business.

13.5.2 New Proposal for a Data Privacy Regulation

The EU is considering another draft data protection regulation, the Regulation on Privacy and Electronic Communications (the “**ePrivacy Regulation**”), which would replace the current Privacy and Electronic Communications Directive 2002/58/EC, as amended, and address topics such as unsolicited marketing and cookies. Originally planned to be adopted and implemented at the same time as the GDPR, the ePrivacy Regulation has been delayed. On February 10, 2021, the Council of the European Union announced it adopted a consolidated version of the ePrivacy Regulation and, accordingly, negotiations on the regulation between the Council of the European Union, the European Parliament, and the European Commission have begun. Implementing the ePrivacy Regulation or other comparable laws and regulations could require us to expend additional time and effort to comply with such new laws and regulations, and we could be subject to new or increased fines, individual claims, commercial liabilities, or regulatory penalties.

13.6 Consumer Protection

When dealing with consumers, we are subject to various consumer protection laws. Throughout the EU, consumer protection is extensively regulated based on various directives and national laws implementing or complementing such directives that must, in particular, be considered when designing our localized websites and apps. Applicable directives comprise in particular:

- Directive (EC) 2000/31 of the European Parliament and of the Council of 8 June 2000, on certain legal aspects of information society services, in particular electronic commerce, in the internal market, as amended;

- Directive (EC) 2005/29 of the European Parliament and of the Council of 11 May 2005, concerning unfair business-to-consumer commercial practices in the internal market, as amended; and
- Directive (EU) 2011/83 of the European Parliament and of the Council of 25 October 2011, on consumer rights, as amended.

The European directives on consumer protection and the national laws implementing or complementing these directives impose extensive duties and responsibilities on us. Failure to comply with the provisions on consumer protection may give rise to civil liability, administrative orders, or fines. It may even result in the invalidity of the relevant purchase agreements. Competitors and consumer protection associations could issue formal warnings, and the latter may also assert claims for injunctive relief.

13.7 Intellectual Property

International, European, and national legislation regulates the registration, protection, and use of intellectual property. Our operations and products are, in particular, subject to patent law, design rights law, and trademark law. The relevant regulatory framework mainly concerns the protection of our portfolio of intellectual property rights as well as our access to third parties' intellectual property rights.

13.7.1 Patents

In Germany, we may protect new and inventive technical inventions that are industrially applicable by national German patents under the German Patent Act (*Patentgesetz*). German patents are granted by the German Patent and Trade Mark Office (*Deutsches Patent- und Markenamt*, “**GPTMO**”). We may also apply for European patents before the European Patent Office. European patents can grant protection in 38 contracting states of the Convention on the Grant of European Patents, whereby the applicant chooses the respective states in which the European patents should be valid. Following a patent grant, we may use the patented technology in the designated countries for up to 20 years starting from the application day. However, third parties may challenge patents granted by giving notice of opposition within nine months of the publication of the grant by way of a revocation action.

13.7.2 Utility Models

We may further protect our technical inventions under the German Utility Model Act (*Gebrauchsmustergesetz*). German utility models become effective within Germany upon registration, conferring the same rights as national patents. In contrast to the registration of patents, German utility models are not examined as to novelty, inventive step, or industrial application during their registration process with the GPTMO. For this reason, utility model protection can be obtained faster and at a lower cost than patent protection but is also more easily challenged and revoked.

13.7.3 Designs

The appearance of our products can be protected and is regulated by the German Act on the Legal Protection of Designs (*Designgesetz*) in Germany. We may apply for the registration of design rights with the GPTMO if the designs are new and of individual character. Upon grant of a design right, we may prohibit third parties from using the design right for making, selling, importing, and exporting products. Design rights registered at the GPTMO are only valid within Germany. European-wide protection of community design rights in all EU member states is regulated by the Council Regulation (EC) No. 6/2002 of 12 December 2001 on Community designs. The European Union Intellectual Property Office (the “**EUIPO**”) is responsible for registering community design rights. The validity of German design rights may be challenged by third parties before the GPTMO or by counterclaim in infringement proceedings before the regional court; community design rights may be challenged before the EUIPO.

13.7.4 Trademarks

Trademarks, business designations, and geographical indications can be protected in Germany under the German Trademark Act (*Markengesetz*). On an international level, trademark registration and protection are, among other things, governed by the Madrid Agreement Concerning the International Registration of Marks of April 14, 1891, as amended (the “**MMA**”), the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks of June 27, 1989, as amended (the “**PMMA**”), and the Paris Convention for the Protection of Industrial Property of March 20, 1883, as amended. On a European level, trademarks are governed by Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015, to

approximate the laws of the member states relating to trademarks and, concerning the creation of a union-wide trademark registration and protection regime, by Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017, on the European Union trade mark, as amended.

Trademarks may be registered with a national trademark authority (*e.g.*, the GPTMO), the EUIPO for EU-wide registration, and, following either national or EU-wide registration, via the World Intellectual Property Organization in countries that are parties to the MMA or PMMA for ten-year periods. Such registrations may be renewed repeatedly.

Upon receiving an application, the competent trademark authority will examine whether there are grounds for refusing to grant the trademark registration (*e.g.*, due to a lack of distinctive character of the relevant trademark). Furthermore, proprietors of earlier trademarks may oppose the application for registration within three months of the publication of the application (*e.g.*, if the new trademark and the products or services sold thereunder are identical or similar to their trademark and the products or services sold thereunder). Upon registration of a European Union trademark, the proprietor may prohibit any third party from using such trademark commercially without his prior consent. In addition, national trademark laws of the member states of the EU stipulate that the proprietor of a European trademark is entitled to, among other things, receive compensation for damages arising from the illegal use of his trademark.

14. LITIGATION AND MATERIAL CONTRACTS OF SMG TECHNOLOGY

14.1 Litigation

SMG Technology is currently not involved in any governmental, legal or arbitration proceedings with a significant effect and has not been involved in any such proceedings during the twelve-month period prior to the date of this Prospectus. SMG Technology is not aware of any governmental, legal or arbitration proceedings (whether pending or threatened) which may have, or have had, a significant effect on its financial position or profitability during the twelve-month period prior to the date of this Prospectus.

14.2 Material Contracts

SMG Technology has not entered into any material contracts other than those described below and the Business Combination Agreement and the Ancillary Documents (see Section “8. *Business Combination Agreement and Ancillary Documents*”).

14.2.1 Escrow Agreement

SMG Technology Advisors GmbH & Co. KG entered into an escrow agreement with the Escrow Bank, pursuant to which SMG Technology Advisors GmbH & Co. KG established a segregated Escrow Account at Escrow Bank for (i) the gross proceeds from the Private Placement and (ii) the interest earned on the gross proceeds, if any (the “**Escrow Agreement**”). The Escrow Agreement was structured as an open trust account (*offenes Treuhandkonto*) for the benefit of the Company and with respect to the deferred listing commissions, ABN AMRO Bank N.V, Hauck Aufhäuser Lampe Privatbank AG, the Sponsor and third-party entities, if any. Pursuant to the Escrow Agreement, Escrow Bank acted in the function as escrow agent and held the Escrow Account. Escrow Bank was only allowed to release the funds from the Escrow Account (i) in case of a consummation of a business combination, (ii) in case no business combination had been consummated by the Business Combination Deadline, and (iii) to pay income tax on interest earned, if any, on the Escrow Account or to pay any remaining interest earned to SMG Technology. In no other event was Escrow Bank permitted to release or to effect the release of funds from the Escrow Account, except in case legally required pursuant to a final or immediately enforceable judgment or other order of a competent court.

In case of a consummation of the Business Combination, the amounts held in the Escrow Account will be paid out in the following order of priority:

- First, payment of an amount equal to the sum of all amounts required to repay all the Public Shareholders, who have validly exercised redemption rights in connection with a Business Combination to such account at Banque Internationale à Luxembourg SA, acting as the paying agent of SMG Technology, as notified by SMG Technology Advisors GmbH & Co. KG to the escrow agent and the Escrow Bank in the business combination payout instruction (the “**Designated Account**”) from the proceeds. For calculating the total repayment amount, the repayment amount per Public Share shall be up to €10.00 per Public Share;
- Second, payment of any positive interest paid on any amounts deposited on the Escrow Account and remaining on the Escrow Account, after deduction of any operating costs of SMG Technology Advisors GmbH & Co. KG or SMG Technology (as specified by SMG Technology Advisors GmbH & Co. KG in the relevant business combination payout instruction), any deposit fee or negative interest or taxes paid or, in the judgement of the account holder to be paid, on such interest, to the Designated Account of SMG Technology Advisors GmbH & Co. KG (to be later distributed on a pro rata basis per Public Share for which a Public Shareholder has validly exercised a redemption right in connection with a Business Combination);
- Third, the payment of the deferred fixed listing commissions in the amount of 0.5% of the proceeds to the joint bookrunners and in the amount of 7.0% of certain proceeds from the Private Placement that were solicited by Aeneas Capital B.V. or their respective affiliates (including the Cornerstone Investors) to Aeneas Capital B.V., that are not redeemed at the Business Combination; and
- Fourth, the payment of any remainder of any amount in the Escrow Account to the SMG Technology Advisors GmbH & Co. KG or, if requested by the SMG Technology Advisors GmbH & Co. KG, to any third party.

Upon full distribution of the amounts in the Escrow Account, Escrow Bank closed the Escrow Account and the Escrow Agreement terminated automatically and ceased to have any effect (other than in relation to accrued liabilities thereunder which survive the termination).

14.2.2 Placement Agreement

On October 26, 2023, SMG Technology entered into a placement agreement with ABN AMRO Bank N.V. and Hauck Aufhäuser Lampe Privatbank AG (the “**Placement Agreement**”) relating to the Private Placement. Pursuant to the Placement Agreement, and subject to the terms and conditions set forth therein, ABN AMRO Bank N.V. and Hauck Aufhäuser Lampe Privatbank AG agreed to subscribe for the Public Shares and Public Warrants and to purchase the number of units as set forth in the Placement Agreement at €1.00 per unit (at €10.00 following the Reverse Stock Split). In the Placement Agreement, SMG Technology agreed to indemnify ABN AMRO Bank N.V. and Hauck Aufhäuser Lampe Privatbank AG against certain liabilities that may arise in connection with the Private Placement, including liabilities under applicable securities laws. SMG Technology agreed to pay ABN AMRO Bank N.V. and Hauck Aufhäuser Lampe Privatbank AG certain fees in connection with the Private Placement upon settlement of the Private Placement, as well as the deferred listing commissions of 0.5% of the gross proceeds from the Private Placement (less any redemptions) due on the date of the consummation of the Business Combination.

14.2.3 Sponsor Agreement

The Sponsor and SMG Technology have entered into a sponsor agreement (the “**Sponsor Agreement**”). Pursuant to the Sponsor Agreement, the Sponsor agreed to vote all shares in SMG Technology beneficially owned by it in favor of a Business Combination. Furthermore, the Sponsor agreed, (i) to waive any right to exercise redemption rights with respect to any of the Public Shares owned or to be owned by the Sponsor, directly or indirectly, whether such Public Shares be Sponsor Shares converted into Public Shares or Public Shares, and agreed not to seek redemption with respect to such shares (or sell such shares to the SMG Technology in any tender offer) in connection with any shareholder vote to approve (a) a Business Combination or (b) an amendment to the Articles of Association that would affect the substance or timing of the SMG Technology’s obligation to redeem 100% of the Public Shares if the SMG Technology has not consummated a Business Combination within the Business Combination Deadline; (ii) to waive any and all right, title, interest or claim of any kind in or to any distribution of the Escrow Account (except for in case of a liquidation of the SMG Technology, any excess amounts remaining after the redemption of all Public Shares) and any remaining net assets of the SMG Technology as a result of a liquidation of the SMG Technology with respect to the Sponsor Shares held by the Sponsor, provided that if the Sponsor has acquired Public Shares in or after the Private Placement, it will be entitled to liquidation distributions from the Escrow Account with respect to such Public Shares in the event that the SMG Technology fails to consummate a Business Combination within the Business Combination Deadline; and (iii) to waive any and all right, title, interest or claim of any kind in or to any dividend or distribution of the SMG Technology in regard of its Sponsor Shares, provided that if the Sponsor has acquired Public Shares in or after the Private Placement, it will be entitled to dividends and distributions from the SMG Technology with respect to such Public Shares.

Pursuant to the Sponsor Agreement, neither the Sponsor nor any affiliate of the Sponsor are entitled to receive and will not accept any compensation or other cash payment from SMG Technology prior to, or for services rendered in order to effectuate, the consummation of a business combination. In addition, the Sponsor has acknowledged and agreed that prior to entering into a definitive agreement for a business combination with a target business in which the Sponsor or any of its affiliates, solely or jointly, holds 20% or more of the shares, SMG Technology must obtain an opinion from an independent investment banking firm or an independent accounting firm that the consideration paid in such business combination is fair from a financial point of view.

14.2.4 Warrant Purchase Agreement with Sponsor

Pursuant to an agreement between the Sponsor and SMG Technology, the Sponsor agreed, *inter alia*, to subscribe to an aggregate of 20,000,000 Sponsor Warrants at a price of €0.15 per Sponsor Warrant (€3,000,000 in the aggregate) in a private placement that occurred immediately prior to the Private Placement (reflecting 2,000,000 Sponsor Warrants at a price of €1.50 per Sponsor Warrant following the Reverse Stock Split). The subscription price was partly set-off against a shareholder loan the Sponsor granted to SMG Technology prior to the Private Placement. The proceeds, along with the proceeds from the additional purchase price for the Sponsor Shares, were mainly used to finance the working capital and expenses in connection with the Private Placement and the search for targets for a business combination.

15. SHAREHOLDER INFORMATION

15.1 Major Shareholders

The following table sets forth the major direct and indirect shareholders of the Company based on the Company's share register regarding holders of Preferred Shares and to the Company's best knowledge regarding holders of Public Shares as of the date of this Prospectus, *i.e.*, after consummation of the Business Combination.

Shareholder	Shareholding	
	Number of shares	in %
de Krassny ⁽¹⁾	4,761,572	28.6
Koehler Invest GmbH ⁽²⁾	3,421,097	20.5
BASF Venture Capital GmbH ⁽³⁾	2,229,460	13.4
HAGE Holding GmbH ⁽⁴⁾	1,104,211	6.6
SMG Technology Holding S.à r.l. ⁽⁵⁾	880,000	5.3
Treasury Shares	2,195,267	13.2
Public Float ⁽⁶⁾	1,544,252	9.3

- (1) The ultimate beneficial owner of de Krassny is Alain Francois Marcel de Krassny.
(2) The ultimate beneficial owners of Koehler Invest GmbH are the members of the management board (*Vorstand*) of Koehler Management SE, *i.e.*, Kai Michael Furler, Dr. Stefan Karrer and Frank Lendowski.
(3) The ultimate beneficial owner of BASF Venture Capital GmbH is Roland Nunheim.
(4) The ultimate beneficial owners of HAGE Holding GmbH are Stefan Hampel and Florian Hampel.
(5) The ultimate beneficial owner of SMG Technology Holding S.à r.l. is Dr. Stefan Petrikovics.
(6) Public Shares are subject to Lock-Up to the extent described in "8.12 Lock-Up Undertakings".

Except for the major shareholders mentioned above, there are no other persons that have major holdings within the meaning of Article 8 or Article 9 of the Luxembourg law of 11 January 2008 on transparency requirements for issuers of securities, as amended (the "Luxembourg Transparency Law"). The shares held by each major shareholder have the same voting rights as any other shares in the Company.

15.2 Controlling Interest

To the knowledge of the Company, the Company is neither directly nor indirectly owned or controlled by any shareholder or third person within the meaning of the Luxembourg law of 19 May 2006 on takeover bids, as amended (the "Luxembourg Takeover Law").

15.3 Shareholders of BigRep prior to and after the Business Combination

None of the shareholders of BigRep has different voting rights.

The following table sets forth the direct and indirect shareholders of BigRep holding more than 5% of the shares in BigRep following the consummation of the Business Combination.

Shareholder	Shareholding prior to the Business Combination ⁽¹⁾		Shareholding after the Business Combination	
	Number of shares in BigRep GmbH	in %	Number of shares in BigRep SE	in %
Koehler Invest GmbH ⁽²⁾	240,706	36.16	3,421,097	20.5
BASF Venture Capital GmbH ⁽³⁾	205,094	30.81	2,229,460	13.4

- (1) The shareholding prior to the Business Combination does not include any Consideration Shares to be transferred to HAGE Holding, ESOP 2017 Shares, Management Incentive Shares, Consideration Shares to be transferred as part of the Incentive Share Transfer and Consideration Shares to be transferred to the lending BigRep Shareholders under the Equity Kicker Loan.
(2) The ultimate beneficial owner of Koehler Invest GmbH within the meaning of the German Money Laundering Act (*Geldwäschegesetz*) are the members of the management board (*Vorstand*) of Koehler Management SE, *i.e.*, Kai Michael Furler, Dr. Stefan Karrer and Frank Lendowski.
(2) The ultimate beneficial owner of BASF Venture Capital GmbH is Roland Nunheim.

16. GENERAL INFORMATION ON THE COMPANY AND THE GROUP

16.1 Formation, Incorporation, Commercial Name and Registered Office

The Company was formed on August 7, 2023. The Company is a European company (*Société Européenne*) existing under Luxembourg law and has its registered office at 9, rue de Bitbourg, L-1273 Luxembourg, Luxembourg (telephone: +352 27 44 41 7714; website: www.bigrep.com), LEI 213800P9C9Q3F8MRXO87, registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B279346. The legal and commercial name of the Company is SMG Technology Acceleration SE (renamed to BigRep SE as of the closing of the Business Combination).

BigRep was originally incorporated on December 18, 2013. BigRep (LEI 391200J99KJ54GWXBQ31) is a limited liability company (*Gesellschaft mit beschränkter Haftung*) existing under German law and has its registered office at Gneisenaustraße 66, 10961 Berlin, Germany (telephone +49 30 20 84 8260; website: www.bigrep.com), registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Charlottenburg under HRB 155360 B. BigRep's share capital amounts to €665,758.00 and is divided into 665,758 ordinary shares at a nominal value of €1.00 each. All shares are of the same class and are fully paid.

16.2 Fiscal Year and Duration

The Company's fiscal year is the calendar year. The first fiscal year, in 2023, was a short fiscal year from the date of the formation of the Company to the end of the calendar year. The Company has been established for an unlimited duration.

BigRep's fiscal year is the calendar year. BigRep has been established for an unlimited duration.

16.3 The Company's History

SMG Technology is a European company (*Société Européenne*) recently incorporated under the laws of Luxembourg, established for the purpose of acquiring one operating business with principal business operations in a member state of the European Economic Area, the United Kingdom or Switzerland that is focused on the technology sector, which shall encompass primarily the following verticals: AM/3D printing, software as a service (SaaS), and digital infrastructure/blockchain-based technologies, through a merger, capital stock exchange, share purchase, asset acquisition, reorganization, or similar transaction. Our principal activities to date have been limited to organizational activities, including the identification of potential target companies for a business combination, as well as the preparation and execution of the Private Placement and the listing of the Public Shares. SMG Technology was organized by its Sponsor, SMG Technology Holding S.à r.l.

On December 20, 2023, SMG Technology, BigRep and the BigRep Shareholders entered into the Business Combination Agreement (with the amendment agreement to the Business Combination Agreement dated May 28, 2024) relating to the Business Combination between SMG Technology and BigRep, pursuant to which SMG Technology acquired all outstanding equity of BigRep held by the BigRep Shareholders in exchange for New Public Shares. The Business Combination was consummated on July 29, 2024. In connection with the Business Combination, the Company also issued 1,560,000 additional Sponsor Shares from its authorized capital under Luxembourg law.

3,750,000 Sponsor Shares, *i.e.*, all outstanding Sponsor Shares, automatically converted into Public Shares in connection with the consummation of the Business Combination.

In addition, 2,100,000 Public Shares of certain shareholders of SMG Technology were redeemed by the respective shareholders for a price calculated in accordance with the Articles of Association, subject to the condition precedent that such shareholders subscribes for an equal number of Preferred Shares as it has redeemed, which the Company issues, in accordance with the Luxembourg Company Law, from its authorized capital under Luxembourg law (see Sections "7. Business Combination" and "8. Business Combination Agreement and Ancillary Documents").

16.4 Corporate Purpose

Pursuant to Article 2 of the Articles of Association, the Company's purpose is the creation, holding, development and realization of a portfolio, consisting of interests and rights of any kind and of any other form of

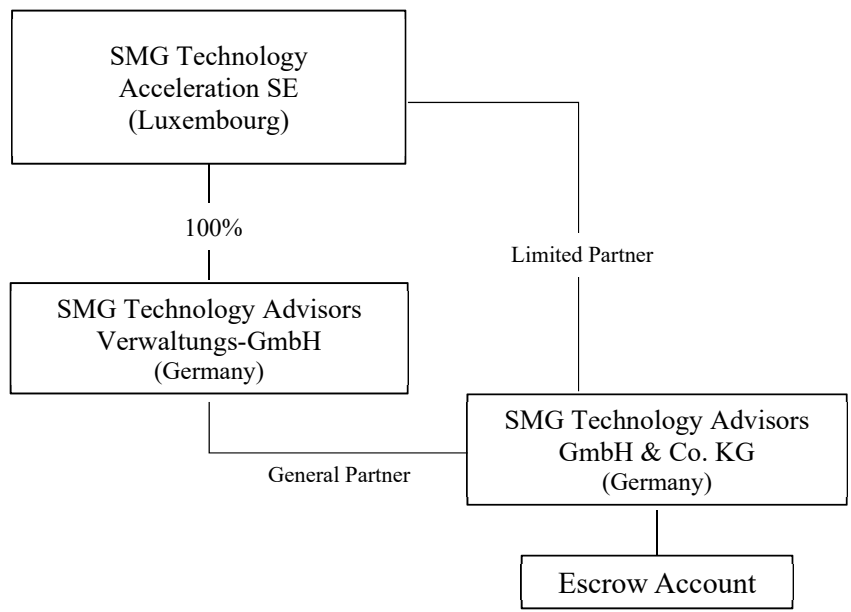
investment in entities in Luxembourg and in foreign entities, whether such entities exist or are to be created, especially by way of subscription, by purchase, sale, or exchange of securities or rights of any kind whatsoever, such as equity instruments, debt instruments as well as the administration and control of such portfolio. The Company may further grant any form of security for the performance of any obligations of the Company or of any entity in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of entities as the Company and lend funds or otherwise assist any entity in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of companies as the Company. The Company may borrow in any form and may issue any kind of notes, bonds and debentures and generally issue any debt, equity and/or hybrid securities in accordance with Luxembourg law. The Company may carry out any commercial, industrial, financial, real estate, technology or intellectual property activities which it may deem useful in accomplishment of these purposes.

Pursuant to Article 2 of BigRep’s articles of association, BigRep’s corporate purpose is the development, manufacturing and distribution of 3D printers, accessories, printing processes, associated software and printing materials as well as the provision of services in connection with 3D printers.

16.5 Group Structure

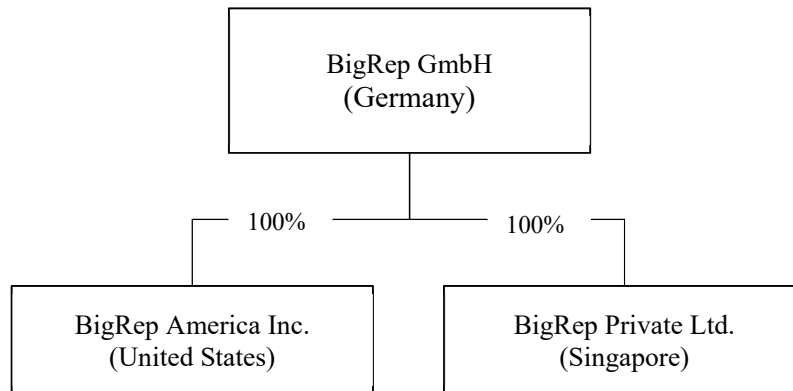
16.5.1 Group Chart of SMG Technology Group

The following chart shows the holding structure of the SMG Technology Group prior to the Business Combination.

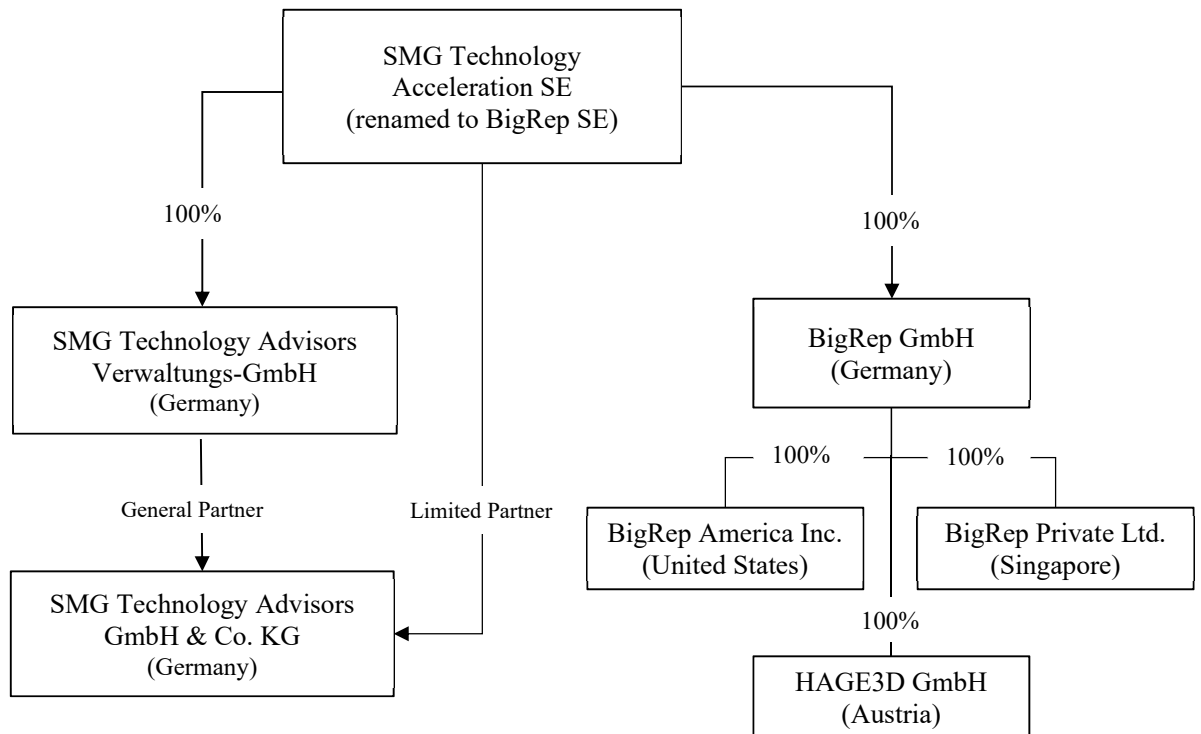


16.5.2 Group Chart of BigRep

The following chart shows the holding structure of the BigRep prior to the Business Combination.



16.5.3 Group Chart Following the Business Combination



16.6 Subsidiaries

The following table presents an overview of the Company's subsidiaries following the Business Combination:

<u>Subsidiary</u>	<u>Registered Office</u>	<u>Aggregate Interest</u>
SMG Technology Advisors Verwaltungs-GmbH	Frankfurt am Main, Germany	100%
SMG Technology Advisors GmbH & Co. KG	Frankfurt am Main, Germany	100%
BigRep GmbH.....	Berlin, Germany	100%
BigRep America Inc. ⁽¹⁾	Wilmington, Massachusetts, United States	100%
BigRep Private Ltd. ⁽¹⁾	Singapore, Singapore	100%
HAGE3D GmbH ⁽¹⁾	Obdach, Austria	100%

(1) Indirectly owned through BigRep GmbH.

16.7 Management of BigRep

Dr. Sven Thate and Dr. Reinhard Festag, who are members of the Management Board, are also managing directors of BigRep.

16.8 Independent Auditor

The Company appointed Forvis Mazars Luxembourg S.A., with a registered office at 5, Rue Guillaume J. Kroll, L-1882 Luxembourg, Luxembourg, and registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés de Luxembourg*) under number B 159962 as its independent auditor. Forvis Mazars Luxembourg S.A. – *Cabinet de révision agréé* is a member of the Institute of Registered Auditors (*Institut des Réviseurs d'Entreprises*) which is the Luxembourg member of the International Federation of Accountants and is registered in the public register of approved audit firms held by the Commission de Surveillance du Secteur Financier as competent authority for public oversight of approved statutory auditors and audit firms. Forvis Mazars Luxembourg S.A. has audited in accordance with applicable law and has issued an unqualified independent auditor's report with respect to the audited financial statements of SMG Technology for the financial period from August 7 to December 31, 2023, prepared in accordance with IFRS as adopted by the European Union.

BigRep appointed HaackSchubert GmbH Wirtschaftsprüfungsgesellschaft with a registered office at Hafensinsel 11, 63067 Offenbach am Main, Germany, and registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Offenbach am Main under HRB 11503, as its independent auditor (*unabhängiger Abschlussprüfer*). HaackSchubert GmbH Wirtschaftsprüfungsgesellschaft is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Rauchstrasse 26, 10787 Berlin, Germany. HaackSchubert GmbH Wirtschaftsprüfungsgesellschaft has audited in accordance with Section 317 of the German Commercial Code (*Handelsgesetzbuch*) and German generally accepted standards for financial statement audits and issued an unqualified independent auditor's report (*uneingeschränkter Bestätigungsvermerk des unabhängigen Abschlussprüfers*) with respect to the audited consolidated financial statements of BigRep as of and for the fiscal years ended December 31, 2023, December 31, 2022 and December 31, 2021 prepared in accordance with IFRS.

16.9 Notifications and Supplements to this Prospectus

Notifications in connection with the admission to trading will be published on the Company's website (www.bigrep.com). However, the information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

Any supplements to this Prospectus will be drawn up and published in accordance with the Prospectus Regulation. Printed copies of each such notification and supplements will be made available by publication on the website of the Company (www.bigrep.com) for a period of ten years commencing on the date of this Prospectus.

17. SHARE CAPITAL OF THE COMPANY AND APPLICABLE REGULATIONS

17.1 Current Share Capital; Shares

As of the date of this Prospectus, the share capital of the Company is denominated in Euro and amounts to €913,767.32, represented by 14,575,418 Public Shares (including 2,195,267 Public Shares held in treasury) and 2,100,000 Preferred Shares at an accounting par value of €0.0548 each. The Public Shares and the Preferred Shares have been created under Luxembourg law as the Company is existing under Luxembourg law. The New Public Shares issued to the BigRep Shareholders are subject to the Lock-Up provisions set out in the Lock-Up and Divestment Agreement (see Section “8.12 Lock-Up Undertakings”). The share capital is fully paid up.

On October 27, 2023, the Management Board resolved on the issuance of the Public Shares in dematerialized form, and that any future Public Shares shall be issued in dematerialized form only, which are subject to the Luxembourg law of 6 April 2013 on dematerialized securities, as amended. All of the Public Shares in dematerialized form will be registered with the single securities issuance account with LuxCSD. Dematerialized shares are only represented, and ownership of the shareholder over such Public Shares is only established by a record in a securities account. LuxCSD may, however, issue or request the Company to issue certificates relating to the Public Shares for the purpose of the international circulation thereof. The transfer of a dematerialized share occurs by book entry (*virement de compte à compte*).

The Company may suspend voting rights of Public Shares concerned in case information provided with respect to a holders' securities account are false, or incomplete until the correction and/or completion of such information. The Company will further recognize only one holder per Public Share, and may suspend all rights attached to a Public Share, except for relevant information rights, in case such Public Share is held by more than one person, until a single representative of co-owners is appointed.

All Public Shares carry preferential subscription rights. However, preferential subscription rights may at any time be limited or excluded either by a resolution passed by the general shareholders' meeting or by the Management Board in case of a capital increase under the authorized capital of the Company, or by the Management Board if previously authorized by a general shareholders' meeting adopting such resolution under the conditions for an amendment of the Articles of Association. Shareholders will not have preferential subscription rights in respect of Public Shares being issued to a person exercising an existing right to subscribe for Public Shares.

17.2 Development of the Share Capital

The Company's initial share capital amounted to €120,000.00, consisting of 12,000,000 class B shares without nominal value.

On October 16, 2023, the general shareholders' meeting of the Company resolved to cancel 9,810,000 class B shares without payment to such shareholders, thus increasing the accounting par value for the remaining 2,190,000 class B shares, without nominal value.

On October 23, 2023, the general shareholders' meeting of the Company resolved to split the 2,190,000 class B shares without nominal value, into 21,900,000 class B shares without nominal value.

On October 27, 2023, in connection with the Private Placement and listing of the Company's Public Shares, the Company's share capital was raised from the initial share capital of €120,000.00 to €240,560.00 by a resolution of the Management Board, with the consent of the Supervisory Board, dated October 27, 2023 under the authorized capital. The respective 20,000,000 units were issued at a price of €1.00 per unit, which reflect 2,200,000 units at a price of €10.00 per unit following the Reverse Stock Split. Each unit consisted of one Public Share and 1/2 Public Warrant.

On July 25, 2024, the general shareholders' meeting resolved on a 10:1 reverse stock split.

On July 29, 2024, the Company's share capital was raised from €240,560.00 to €913,767.32 in conjunction with the issuance of the Consideration Shares and the issuance of 1,560,000 additional Sponsor Shares and 2,100,000 Preferred Shares by a resolution of the Management Board dated July 26, 2024, with the consent of the delegate of the Supervisory Board, dated July 26, 2024, under the Company's authorized capital. The Consideration Shares and Preferred Shares were issued at a share price of €10.00 each and the additional Sponsor

Shares were issued at a share price of approximately €0.0548 each. For the Consideration Shares, more than 10% of the respective share capital has been paid for with assets other than cash.

As of the date of this Prospectus, the share capital of the Company amounts to €913,767.32 and 16,675,418 shares are outstanding including 14,575,418 Public Shares and 2,100,000 Preferred Shares. Of the 14,575,418 Public Shares, the Company holds 2,195,267 Public Shares in treasury.

17.3 Authorized Capital

Pursuant to the Articles of Association, the Company may issue up to 189,174,582 additional Public Shares, and thus increase the share capital of the Company by an amount of up to €10,366,800.68. The authorized capital was used for the issuance of the Consideration Shares, the Preferred Shares, and the additional Sponsor Shares and is intended further for general corporate purposes. The Company may not issue any additional Sponsor Shares.

During a period of five years from the date of incorporation or any subsequent resolutions to create, renew or increase the authorized capital, the Management Board, with the consent of the Supervisory Board, is authorized to issue Public Shares to grant options to subscribe for Public Shares and to issue any other instruments, such as convertible warrants, giving access to shares within the limits of the authorized capital to such persons and on such terms as they shall see fit and specifically to proceed to such issue with limitation or removal of the preferential right to subscribe to the shares issued for the existing shareholders, and it being understood, that any issuance of such instruments will reduce the available authorized capital accordingly.

The authorized capital of the Company may be increased or reduced by a resolution of the general shareholders' meeting adopted in the manner required for an amendment of the Articles of Association.

The authorization may be renewed through a resolution of the general shareholders' meeting adopted in the manner required for an amendment of the Articles of Association and subject to the provisions of Luxembourg law, each time for a period not exceeding five years.

17.4 General Rules on Allocation of Profits and Dividend Payments

For the general rules on the allocation of profits and dividend payments see "*4.1 General Rules on Allocation of Profits and Dividend Payments*".

17.5 General Provisions Governing the Liquidation of the Company

The general shareholders' meeting of the Company may decide at any time and with or without cause to dissolve and liquidate the Company, subject to the quorum and majority requirements for an amendment to the Articles of Association. The Articles of Association may be amended by a majority of at least two thirds of the votes validly cast at a general shareholders' meeting at which a quorum of more than half of the Company's share capital is present or represented. If no quorum is reached in a meeting, a second meeting may be convened in accordance with the Luxembourg Company Law and the Articles of Association. This meeting may deliberate regardless of the quorum and resolutions must be passed by two thirds of the votes validly cast.

If due to a loss, the net assets of the Company are less than half of the amount of the subscribed share capital, the Management Board must convene an extraordinary general shareholders' meeting within two months as of the date on which the Management Board discovered or should have ascertained this undercapitalization and draw up a report explaining causes and making proposals to rectify the situation. At this extraordinary general shareholders' meeting, shareholders will resolve on the possible dissolution of the Company. The quorum must be at least fifty percent of all the shares issued and outstanding. In the event the required quorum is not reached at the first extraordinary general shareholders' meeting, a second extraordinary general shareholders' meeting may be convened, through a new convening notice, at which shareholders can validly deliberate and decide regardless of the number of shares present or represented. A majority of two thirds of the votes cast by the shareholders present or represented is required at any such extraordinary general shareholders' meeting. If due to a loss, the net assets of the Company are less than one quarter of the amount of the subscribed share capital, the same procedure must be followed, it being understood, however, that the dissolution only requires the approval of shareholders representing twenty-five percent of the votes cast at the meeting.

The Company, once dissolved, is deemed to exist for as long as necessary for its proper liquidation. If the Company is dissolved for any reason, the general shareholders' meeting will have the most extensive powers

to appoint the liquidator(s), determine their powers and fix their remuneration. The powers of the members in office of the Management Board and the Supervisory Board will end at the time when the liquidators are appointed. In the event that the general shareholders' meeting fails to appoint the liquidator(s), the directors then in office will automatically become the liquidators of the Company.

The principal duty of the liquidators consists of winding up the Company by paying its debts, realizing its assets and distributing them to the shareholders. If the financial situation so warrants, pre-payments of liquidation dividends may be made by the liquidator in accordance with the Luxembourg law.

In the event of the Company's dissolution, the liquidation shall be carried out by one or several liquidators appointed by the general shareholders' meeting resolving on the Company's dissolution which shall determine the liquidators'/liquidator's powers and remuneration.

The surplus resulting from the realization of the assets and the payment of the liabilities shall be distributed among the shareholders pro rata to the stake in the Company held by them.

17.6 General Provisions Governing a Change in the Share Capital

The share capital may be increased or decreased by a resolution of the general shareholders' meeting, adopted in the manner required for an amendment of the Articles of Association.

The Articles of Association authorize the Management Board, with the consent of the Supervisory Board, to increase the share capital of the Company by a certain maximum amount fixed in the Articles of Association. The Management Board, with the consent of the Supervisory Board, is authorized for a period starting from the date of incorporation or any subsequent resolutions to create, renew or increase the authorized capital and expiring on the fifth anniversary of such date, to increase the share capital up to the amount of the authorized capital, in whole or in part from time to time. As of the date of this Prospectus, Article 6 of the Articles of Association provides that the authorized capital of the Company amounts to €10,366,800.68 represented by a maximum of 189,174,582 Public Shares. In case of an increase of the share capital through a decision of the Management Board, such a decision needs to be recorded in a notarial deed of acknowledgment subsequently. Share capital increases may be made subject to and out of available reserves (including share premium) of the Company, against payment in cash or against payment in kind. In case of a share capital increase of the Company against payment in kind, in principle a report from an independent auditor (*réviseur d'entreprises agréé*) is required to confirm that the value of the contribution corresponds at least to the subscription price (accounting par value and share premium, if any) of the newly issued shares.

In the case of a share capital increase against payment in cash, existing shareholders have a preferential subscription right *pro rata* to their participation in the share capital prior to its increase (no preferential subscription right applies in case of a share capital increase against contribution in kind). The Management Board shall determine the period of time during which such preferential subscription right may be exercised and which may not be less than 14 days following the publication of the subscription period in a notice which shall be published on the RESA as well as a newspaper published in Luxembourg. If after the end of the subscription period not all of the preferential subscription rights offered to the existing shareholder(s) have been subscribed by the latter, third parties may be allowed to participate in the share capital increase, except if the Management Board, with the consent of the Supervisory Board, decides that the preferential subscription rights shall be offered to the existing shareholders who have already exercised their rights during the subscription period, in proportion to the portion their shares represent in the same category of shares in the share capital, the modalities for the subscription are determined by the Management Board, with the consent of the Supervisory Board. The Management Board, with the consent of the Supervisory Board, may also decide in such case that the share capital shall only be increased by the amount of subscriptions received by the shareholder(s) of the Company.

Pursuant to Article 420-26 of the Luxembourg Company Law, the preferential subscription rights of existing shareholders in case of a capital increase by means of a contribution in cash may not be restricted or withdrawn by the Articles of Association. Nevertheless, the Articles of Association may authorize the Management Board to withdraw or restrict these preferential subscription rights in relation to an increase of capital made within the limits of the authorized capital. Such authorization is only valid for a maximum period of five years from the publication on the RESA of the relevant amendment of the Articles of Association. It may be renewed on one or more occasions by the extraordinary general shareholders' meeting, deliberating in accordance with the requirements for amendments to the Articles of Association, for a period that, for each renewal, may not exceed five years. The Management Board must draw up a report to the general shareholders' meeting on the detailed reasons for the restriction or withdrawal of the preferential subscription rights, which must include in

particular the proposed issue price. As of the date of this Prospectus, the Articles of Association authorize the Management Board to increase the share capital and to restrict or withdraw the preferential subscription rights of shareholders in relation to an increase of capital made within the limits of the authorized capital.

In addition, an extraordinary general shareholders' meeting called upon to resolve on the conditions prescribed for amendments to the Articles of Association, either upon an increase of the share capital or upon the authorization to increase the share capital, may limit or withdraw preferential subscription rights or authorize the Management Board to do so. Any proposal to that effect must be specifically announced in the convening notice. Detailed reasons must therefore be set out in a report prepared by the Management Board and presented to the extraordinary general shareholders' meeting dealing, in particular, with the proposed issue price. This report must be made available to the public at the Company's registered office, and on its website. An issuance of shares to banks or other financial institutions with a view to their being offered to the shareholders of the Company in accordance with the decision relating to the increase of the subscribed capital does not constitute an exclusion of the preferential subscription rights pursuant to the Luxembourg Company Law.

The share capital may be decreased by a resolution of the general shareholders' meeting, adopted in the manner required for an amendment of the Articles of Association. In case of a share capital decrease all shareholders have the right to participate *pro rata* in the share capital reduction. In the event of a decrease of the share capital with a repayment to the shareholders or a waiver of their obligation to pay up their shares, creditors whose claims predate the publication of the minutes of the extraordinary general shareholders' meeting on the RESA may, within 30 days from such publication, apply for the constitution of securities to the judge presiding the chamber of the district court (*Tribunal d'Arrondissement*) dealing with commercial matters and sitting as in urgency matters. The judge may only reject such an application if the creditor already has adequate safeguards or if such securities are unnecessary with regard to the assets of the Company. No payment may be made or waiver given to the shareholders until such time when the creditors have obtained satisfaction or until the judge presiding the chamber of the district court (*Tribunal d'Arrondissement*) dealing with commercial matters and sitting as in urgency matters has ordered that their application should not be granted. No creditor protection rules apply in the case of a reduction in the subscribed capital for the purpose of offsetting losses incurred which are not capable of being covered by means of other own funds or to include sums in a reserve provided that such reserve does not exceed 10% of the reduced subscribed capital.

17.7 Mandatory Takeover Bids and Exclusion of Minority Shareholders

17.7.1 Mandatory Bids, Squeeze-Out and Sell-Out Rights

The Luxembourg Takeover Law provides that if a person, acting alone or in concert, obtains voting securities of the Company which, when added to any existing holdings of the Company's voting securities, give such person control over the Company, which under the Luxembourg Takeover Law is set at 33¹/₃% of all of the voting rights attached to the voting securities in the Company, this person is obliged to launch a mandatory bid for the remaining voting securities in the Company at a fair price.

Following the implementation of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids (the "**Takeover Directive**"), any voluntary bid for the takeover of the Company and any mandatory bid will be subject to shared regulation by the CSSF pursuant to the Luxembourg Takeover Law, which has implemented the Takeover Directive into Luxembourg law, and by the BaFin pursuant to the German Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*).

Under the shared regulation regime, German takeover law applies to the matters relating to the consideration offered, the bid procedure, the content of the offer document and the procedure of the bid. The German Regulation on the Applicability of the Takeover Code (*WpÜG-Anwendbarkeitsverordnung*) specifies the applicable provisions in more detail. Matters regarding company law (and related questions), such as, for instance, the question relating to the percentage of voting rights which give control over a company and any derogation from the obligation to launch a bid or regarding information to be provided to employees of the target company, and, to the extent applicable, any sell-out or squeeze-out procedures further to a voluntary or mandatory takeover bid, will be governed by Luxembourg law.

The Luxembourg Takeover Law provides that, when an offer (mandatory or voluntary) is made to all of the holders of voting securities of the Company and the bidder holds voting securities representing not less than 95% of the share capital that carry voting rights to which the offer relates and 95% of the voting rights in the Company, the bidder may require the holders of the remaining voting securities to sell those securities to the bidder. The price offered for such securities must be a "fair price". The price offered in a voluntary offer would

in principle be considered a “fair price” in the squeeze-out proceedings if at least 90% of the securities comprised in the bid were acquired in such voluntary offer. The price paid in a mandatory offer in principle is deemed a “fair price”. The consideration paid in the squeeze-out proceedings must take the same form as the consideration offered in the offer or consist solely of cash. Moreover, an all-cash option must be offered to the remaining shareholders of the Company. Finally, the right to initiate squeeze-out proceedings must be exercised within three months following the expiration of the acceptance period of the offer.

The Luxembourg Takeover Law provides that, when an offer (mandatory or voluntary) is made to all of the holders of voting securities of the Company and if after such offer the bidder (and any person acting in concert with the bidder) holds voting securities carrying more than 90% of the voting rights in the Company, the remaining security holders may require that the bidder purchase the remaining voting securities at a “fair price”. The price offered in a voluntary offer would in principle be considered “fair” in the sell-out proceedings if at least 90% of the securities comprised in the bid were acquired in such voluntary offer. The price paid in a mandatory offer is in principle deemed a “fair price”. The consideration paid in the sell-out proceedings must take the same form as the consideration offered in the offer or consist solely of cash. Moreover, an all-cash option must be offered to the remaining shareholders of the Company. Finally, the right to initiate sell-out proceedings must be exercised within three months following the expiration of the acceptance period of the offer.

Where the Company has issued more than one class of voting securities, the rights of squeeze-out and sell-out described in the last two preceding paragraphs can be exercised only in the class in which the relevant thresholds have been reached.

17.7.2 Luxembourg Mandatory Squeeze-Out and Sell-Out Law

The Company falls under the scope of the Luxembourg law of 21 July 2012 on the mandatory squeeze-out and sell-out of securities of companies currently admitted or previously admitted to trading on a regulated market or having been offered to the public (the “**Luxembourg Mandatory Squeeze-Out and Sell-Out Law**”). The Luxembourg Mandatory Squeeze-Out and Sell-Out Law provides that if a majority shareholder (for the purpose of the Luxembourg Mandatory Squeeze-Out and Sell-Out Law, a “**Majority Shareholder**” means any natural or legal person, holding alone or with persons acting in concert with it, directly or indirectly, at least 95% of the Company’s capital carrying voting rights and 95% of the voting rights of the Company), (i) such Majority Shareholder may require the holders of the remaining shares or other voting securities to sell those remaining securities (the “**Mandatory Squeeze-Out**”); and (ii) the holders of the remaining shares or securities may require such Majority Shareholder to purchase those remaining shares or other voting securities (the “**Mandatory Sell-Out**”). The Mandatory Squeeze-Out and the Mandatory Sell-Out must be exercised at a fair price according to objective and adequate methods applying to asset disposals.

As per Article 4(6) of the Luxembourg Mandatory Squeeze-Out and Sell-Out Law, every remaining holder of relevant securities concerned by the Mandatory Squeeze-Out may oppose any Mandatory Squeeze-Out project. The deadline to file an opposition is one month as from the date on which the proposed price was made public. The opposition, setting out the reasons thereof, shall be made by registered letter with acknowledgement of receipt sent to the CSSF and within one month from the date on which the proposed price was made public. A copy of the letter shall be sent within the same time period via registered letter with acknowledgement of receipt to the Majority Shareholder and to the issuer.

In the absence of any opposition made in accordance with Article 4(6) of the Luxembourg Mandatory Squeeze-Out and Sell-Out Law, the CSSF accepts the proposed price as fair price and informs the Majority Shareholder and the issuer thereof. After having been informed by the CSSF, the Majority Shareholder shall, as soon as possible and in a manner ensuring fast access to this information and on a non-discriminatory basis, make public the information on the final date and payment conditions. The issuer shall ensure that the information is also communicated or sent to the holders of transferable securities covered by the Mandatory Squeeze-Out and that are not admitted to trading on a regulated market in one or several EEA member states through the usual channels of communication or dispatch to these holders.

The price accepted by the CSSF as fair price is validly published on its website.

In this context, as per Article 4(7) of the Luxembourg Mandatory Squeeze-Out and Sell-Out Law, where one or several remaining holders of the securities or of other transferable securities file opposition in accordance with Article 4(6) of the said law, the CSSF may, based on reasons stated in the opposition(s), require the issuer to propose five experts fulfilling each of the requirements in terms of independence and expertise.

The CSSF shall appoint one of the proposed experts to submit a second valuation report of the class(es) of securities, and, where applicable, of the other transferable securities concerned by the opposition. Such expert shall refer to the publication date of the proposed price by the Majority Shareholder to value the fair price. The expert shall provide the CSSF, the issuer and the Majority Shareholder with the valuation report by the deadline set by the CSSF. The Majority Shareholder shall then make public without delay the second valuation report in a manner ensuring fast access to this information and on a non-discriminatory basis. The issuer shall ensure that the information is also communicated or sent to the holders of transferable securities covered by the Mandatory Squeeze-Out and that are not admitted to trading on a regulated market in one or several member states through the usual channels of communication or dispatch to these holders. The costs of drawing up the valuation report shall be borne by the Majority Shareholder.

In the event of an opposition, the CSSF shall decide on the price to be paid by the Majority Shareholder within three months from the expiry of the opposition deadline or, if the CSSF requires a second valuation report, within three months following receipt of this second report. The CSSF shall notify its decision to the Majority Shareholder and to the issuer. Following the CSSF's decision, the Majority Shareholder shall, as soon as possible and in a manner ensuring fast access to such information and on a non-discriminatory basis, make public the information on the final date and payment conditions. The issuer shall ensure that the information is also communicated or sent to the holders of transferable securities covered by the Mandatory Squeeze-Out and that are not admitted to trading on a regulated market in one or several member states through the usual channels of communication or dispatch to these holders.

The CSSF's decision with respect to the fair price is validly published on its website.

Further to Article 4(8) of the Luxembourg Mandatory Squeeze-Out and Sell-Out Law the securities and the other transferable securities concerned by the Mandatory Squeeze-Out that have not been presented at the latest on the final payment date referred to in the previous paragraph, whether the owner came forward or not, are deemed transferred ipso jure to the Majority Shareholder with the consignment of the price on the first working day following that date.

In accordance with Article 5(5) of the Luxembourg Mandatory Squeeze-Out and Sell-Out Law, the holder(s) of remaining securities that exercised the right of Mandatory Sell-Out, as well as any other holder of remaining securities that wishes to present his securities to the Mandatory Sell-Out, may oppose the proposed price for the Mandatory Sell-Out. All the holders of remaining securities that oppose the price proposed for the Mandatory Sell-Out are required to take part in the Mandatory Sell-Out. The deadline to file an opposition is one month as from the date on which the proposed price was made public. The opposition, setting out the reasons thereof, shall be made by registered letter with acknowledgement of receipt sent to the CSSF and within one month from the date on which the proposed price was made public in accordance with paragraph (4). A copy of the letter shall be sent within the same time period via registered letter with acknowledgement of receipt to the Majority Shareholder and to the issuer.

In the absence of any opposition as described above, the CSSF accepts the proposed price as fair price and informs the Majority Shareholder and the issuer thereof. After having been informed by the CSSF, the Majority Shareholder shall, as soon as possible and in a manner ensuring fast access to such information and on a non-discriminatory basis, make public the information on the final date and payment conditions. The issuer shall ensure that the information is also communicated or sent to the holders of securities covered by the Mandatory Sell-Out and that are not admitted to trading on a regulated market in one or several member states through the usual channels of communication or dispatch to these holders.

The price accepted by the CSSF as fair price is validly published on its website.

Where one or several holders of remaining securities file opposition in accordance with Article 5(5) of the Luxembourg Mandatory Squeeze-Out and Sell-Out Law, the CSSF may, based on reasons stated in the opposition(s), require the issuer to propose five experts fulfilling each of the conditions in terms of independence and expertise.

The CSSF shall appoint one of the proposed experts to submit a second valuation report of the class(es) of securities concerned by the opposition. Such expert shall refer to the publication date of the proposed price by the Majority Shareholder to value the fair price. Such expert shall provide the CSSF, the issuer and the Majority Shareholder with the valuation report by the deadline set by the CSSF. The Majority Shareholder shall then make public without delay the second valuation report in a manner ensuring fast access to this information and on a non-discriminatory basis. The issuer shall ensure that the information is also communicated or sent to the holders

of securities covered by the Mandatory Sell-Out and that are not admitted to trading on a regulated market in one or several member states through the usual channels of communication or dispatch to these holders. The costs of drawing up the valuation report shall be borne by the Majority Shareholder.

In the event of an opposition, the CSSF shall decide on the price to be paid by the Majority Shareholder within three months from the expiry of the opposition deadline or, if the CSSF requires a second valuation report, within three months following receipt of this second report. The CSSF shall notify its decision to the Majority Shareholder and to the issuer. Following the CSSF's decision, the Majority Shareholder shall, as soon as possible and in a manner ensuring fast access to such information and on a non-discriminatory basis, make public the information on the final date and payment conditions. The issuer shall ensure that the information is also communicated or sent to the holders of securities covered by the Mandatory Sell-Out and that are not admitted to trading on a regulated market in one or several member states through the usual channels of communication or dispatch to these holders.

The CSSF's decision with respect to the fair price is validly published on its website.

As per Article 5(7) of the Luxembourg Mandatory Squeeze-Out and Sell-Out Law the holders of securities that have not exercised their right of Mandatory Sell-Out at the latest on the final payment date referred to in the previous paragraph, may present their securities for the Mandatory Sell-Out at the fair price published by the CSSF in the context of the Mandatory Sell-Out within a time period that the CSSF decides upon. This time period shall not be shorter than one month or longer than six months. A holder of securities that presents his securities to the Mandatory Sell-Out shall present all the securities he is holding.

The procedures applicable to the Mandatory Squeeze-Out and the Mandatory Sell-Out must be carried out in accordance with the Luxembourg Mandatory Squeeze-Out and Sell-Out Law and under the supervision of the CSSF. The Luxembourg Mandatory Squeeze-Out and Sell-Out Law does not apply to takeover bids made in accordance with the Takeover Directive until the expiry of any deadline laid down for any ensuing rights resulting from such a bid and for a period of six months as from the expiry of such deadline.

17.8 Amendment to the Rights of Shareholders

Any amendments to the Articles of Association, including amendments affecting the rights of the shareholders as set out in the Articles of Association, require the amendment of the Articles of Association. An amendment to the Articles of Association must be approved by an extraordinary general shareholders' meeting of the Company held in front of a Luxembourg notary in accordance with the quorum and majority requirements applicable to an amendment to the Articles of Association. The quorum requirement is met if at least one half of all the shares issued and outstanding are present or represented at the extraordinary general shareholders' meeting. In the event the required quorum is not reached at the first extraordinary general shareholders' meeting, a second extraordinary general shareholders' meeting may be convened, through a new convening notice, at which shareholders can validly deliberate and decide regardless of the number of shares present or represented. A 2/3 majority of the votes cast by the shareholders present or represented is required at any such general shareholders' meeting. If the decision of the general shareholders' meeting affects the specific rights of a class of shares, the aforementioned majority and quorum must in addition also be met in that specific class of shares. Any increase of the commitment of shareholders requires the unanimous approval of the shareholders. The Articles of Association do not provide for any specific conditions that are stricter than required by Luxembourg law.

17.9 Provisions Preventing Change-of-Control

The mechanism foreseen in Article 6 of the Articles of Association, *i.e.*, the authorized capital, allows for the Management Board, with the consent of the Supervisory Board, to issue additional Public Shares, to grant options or warrants to subscribe for Public Shares and to issue any other instruments giving access to shares within the limits of such authorized capital and specifically to proceed to such issue with removal or limitation of the preferential right to subscribe to the shares issued for the existing shareholders. The amount foreseen in Article 6 of the Articles of Association foresees a substantial amount as authorized capital.

17.10 Shareholdings Disclosure Requirements

17.10.1 Luxembourg Transparency Law

Holders of the shares and other financial instruments linked to the shares may become subject to notification obligations pursuant to the Luxembourg Transparency Law. In case of doubt, holders are advised to

consult with their own legal advisers to determine whether they are subject to notification obligations deriving from the Luxembourg Transparency Law.

17.10.1.1 Shares and Voting Rights

The Luxembourg Transparency Law provides that, if a person acquires or disposes of shares in the Company, including depositary receipts representing shares, and to which voting rights are attached, even if the exercise thereof is suspended (if any), in the Company, and if following the acquisition or disposal the proportion of voting rights held by the person reaches, exceeds or falls below one of the thresholds of 5%, 10%, 15%, 20%, 25%, 33¹/₃%, 50% or 66²/₃% (each, a “**Relevant Threshold**”) of the total voting rights existing when the situation giving rise to a declaration occurs, such person must simultaneously notify the Company and the CSSF of the proportion of voting rights held by it further to such event.

The voting rights shall be calculated on the basis of all the shares in the Company, including depositary receipts (if any), and to which voting rights are attached, even if exercise thereof is suspended.

This information shall also be given in respect of all the shares in the Company, including depositary receipts representing shares, if any, which are in the same class and to which voting rights are attached.

A person must also notify the Company and the CSSF of the proportion of his or her voting rights if that proportion reaches, exceeds or falls below a Relevant Threshold as a result of events changing the breakdown of voting rights such as an increase or decrease of the total number of voting rights and capital having occurred.

The same notification requirements apply to a natural person or legal entity to the extent they are entitled to acquire, to dispose of, or to exercise voting rights in any of the following cases or a combination of them:

- (a) voting rights held by a third party with whom that person or entity has concluded an agreement, which obliges them to adopt, by concerted exercise of the voting rights they hold, a lasting common policy towards the management of the Company;
- (b) voting rights held by a third party under an agreement concluded with that person or entity providing for the temporary transfer for consideration of the voting rights in question;
- (c) voting rights attaching to shares which are lodged as collateral with that person or entity, provided the person or entity controls the voting rights and declares their intention of exercising them;
- (d) voting rights attaching to shares in which that person or entity has the life interest;
- (e) voting rights which are held, or may be exercised within the meaning of points (a) to (d), by an undertaking controlled by that person or entity;
- (f) voting rights attaching to shares deposited with that person or entity which the person or entity can exercise at his/her/its discretion in the absence of specific instructions from the shareholders;
- (g) voting rights held by a third party in its own name on behalf of that person or entity; and
- (h) voting rights which that person or entity may exercise as a proxy where the person or entity can exercise the voting rights at his/her/its discretion in the absence of specific instructions from the shareholders.

17.10.1.2 Specific Financial Instruments

The notification requirements which apply to shares in the Company, including, as may be the case, depositary receipts representing shares to which voting rights are attached, even if the exercise thereof is suspended (see above), also apply to a natural person or legal entity that holds, directly or indirectly:

- (i) financial instruments that, on maturity, give the holder, under a formal agreement, either the unconditional right to acquire or the discretion as to his right to acquire shares, to which voting rights are attached, already issued by the Company, or

- (ii) financial instruments which are not included in point (i) above but which are referenced to the shares referred to in that point and with an economic effect similar to that of the financial instruments referred to in that point, whether or not they confer a right to a physical settlement.

The notification required shall include the breakdown by type of financial instruments held in accordance with point (i) above and financial instruments held in accordance with point (ii) above, distinguishing between the financial instruments which confer a right to a physical settlement and the financial instruments which confer a right to a cash settlement.

The number of voting rights shall be calculated by reference to the full notional amount of shares underlying the financial instrument except where the financial instrument provides exclusively for a cash settlement, in which case the number of voting rights shall be calculated on a 'delta-adjusted' basis, by multiplying the notional amount of underlying shares by the delta of the instrument. For this purpose, the holder shall aggregate and notify all financial instruments relating to the Company. Only long positions shall be taken into account for the calculation of voting rights. Long positions shall not be netted with short positions relating to the Company.

For the purposes of the aforesaid, the following shall be considered to be financial instruments, provided they satisfy any of the conditions set out in points (i) or (ii) above:

- (a) transferable securities;
- (b) options;
- (c) futures;
- (d) swaps;
- (e) forward rate agreements;
- (f) contracts for differences; and
- (g) any other contracts or agreements with similar economic effects which may be settled physically or in cash.

17.10.1.3 Aggregation

The notification requirements described under the two preceding indents above shall also apply to a natural person or a legal entity when the number of voting rights held directly or indirectly by such person or entity aggregated with the number of voting rights relating to specific financial instruments held directly or indirectly reaches, exceeds or falls below a Relevant Threshold. Any such notification shall include a breakdown of the number of voting rights attached to shares or, as may be the case, depositary receipts representing shares, and voting rights relating to financial instruments.

Voting rights relating to specific financial instruments that have already been notified to that effect shall be notified again when the natural person or the legal entity has acquired the underlying shares and such acquisition results in the total number of voting rights attached to shares issued by the same issuer reaching or exceeding a Relevant Threshold.

17.10.1.4 Notifications

Notifications to the Company and the CSSF must be effected promptly, but not later than four trading days after the date on which the shareholder, or person to whom the voting rights are attributed as set out above (i) learns of the acquisition or disposal or of the possibility of exercising voting rights, or on which, having regard to the circumstances, should have learned of it, regardless of the date on which the acquisition, disposal or possibility of exercising voting rights takes effect (according to Article 10 of the Grand Ducal Regulation, dated 11 January 2008, as amended, such person shall be deemed to have knowledge of the acquisition, disposal or possibility to exercise voting rights no later than two trading days following the transaction), or (ii) is informed of an event changing the breakdown of voting rights by the Company. Upon receipt of the notification, but not later than three trading days thereafter, the Company must make public all the information contained in the notification as regulated information within the meaning of the Luxembourg Transparency Law.

17.10.2 Luxembourg Mandatory Squeeze-Out and Sell-Out Law

Pursuant to Article 3 of the Luxembourg Mandatory Squeeze-Out and Sell-Out Law, any holder of shares or other voting securities, including depositary receipts in respect of shares to which the possibility to give a voting instruction with respect to the shares is attached, notify the Company and the CSSF whenever (i) such holder becomes a Majority Shareholder, (ii) such holder ceases to be a Majority Shareholder, or (iii) such holder is a Majority Shareholder and acquires additional shares or other voting securities, including certificates over shares to which the possibility to give a voting instruction with respect to the shares is attached. The notification any such holder must give to the Company and the CSSF must contain at least the exact percentage of the holder's holding, a description of the transaction that triggered the notification requirement, the effective date of such transaction, the identity of the shareholder and the way the shares or other voting securities, including depositary receipts in respect of shares to which the possibility to give a voting instruction with respect to the shares is attached, are being held.

The notification to the Company and the CSSF must be effected as soon as possible, but not later than four working days after obtaining knowledge of the effective acquisition or disposal or of the possibility of exercising or not the voting rights or after the day on which he/she/it should have learnt of it, having regard to the circumstances, regardless of the date on which the acquisition, disposal or possibility of exercising the voting rights take effect. Upon receipt of the notification, but no later than three working days thereafter, the Company must make public all the information contained in the notification in a manner ensuring fast access to the information and on a non-discriminatory basis.

18. GOVERNING BODIES OF THE COMPANY

18.1 Overview

The Company's governing bodies are the Management Board, the Supervisory Board and the shareholders' meeting. The Company is managed by the Management Board under the supervision and control of the Supervisory Board. This two-tier governance structure was resolved by an extraordinary shareholders' meeting of the Company held on September 25, 2023.

On July 25, 2024, the extraordinary shareholders' meeting of SMG Technology (renamed to BigRep SE), *i.e.*, the Company, appointed Dr. Peter Smeets (chairman), Philipp Prechtel, Florian Hampel (vice-chairman), Tommy Grosche and Isabella de Krassny to become members of the Supervisory Board, subject to the condition precedent of the consummation of the Business Combination and effective as of the date following the consummation of the Business Combination. The Supervisory Board by resolution of its delegate dated July 26, 2024, appointed Dr. Sven Thate (CEO) and Dr. Reinhard Festag (CFO) as members of the Management Board, subject to the condition precedent of the consummation of the Business Combination and effective as of the date following the consummation of the Business Combination.

The powers of these governing bodies are determined by the Luxembourg Company Law, the Articles of Association and the internal rules of procedure of both the Management Board and Supervisory Board. The rules of procedure are intended to be resolved with the terms described in this Prospectus immediately upon its approval by the CSSF and prior to its publication.

18.2 Management Board

The Management Board is responsible for managing the Company. For this purpose, the Management Board is vested with the broadest powers to act in the name of the Company and to take any actions necessary or useful to fulfill the Company's corporate purpose, with the exception of the powers reserved by law or the Articles of Association to the Supervisory Board or to the shareholders' meeting.

Pursuant to the Articles of Association, the following matters, among others, require prior consent of the Supervisory Board:

- issuance of shares, granting options or warrants to subscribe for shares and to issue any other instruments, such as convertible instruments, giving access to shares under the authorized capital;
- material transactions with related parties in accordance with the provisions of the Luxembourg law of 24 May 2011 on the exercise of certain rights of shareholders in general meetings of the shareholders of listed companies;
- modification of the fields of business of the Company and the termination of existing and commencement of new fields of business;
- encumbrance of shares in material companies as well as liquidation of material companies;
- institution and termination of court cases or arbitration proceedings involving an amount in controversy of more than one million euro (€1,000,000) in the individual case; and
- acquisition, sale and encumbrance of real estate and similar rights or rights in real estate with a value of more than nine million euro (€9,000,000) in the individual case.

Pursuant to the rules of procedure of the Management Board, the following matters, among others, also require prior consent of the Supervisory Board:

- any legal transaction between the Company on the one hand, and (i) a Company shareholder, (ii) a member of the management of the Company, (iii) a relative within the meaning of the Luxembourg law of 24 May 2011 on the exercise of certain shareholder rights in general meetings of listed companies, as amended (the "**Shareholders' Rights Law**"), of a shareholder or a member of the management of the Company ("**Relative**"), or (iv) a company affiliated with a shareholder, a member of the management of the Company, or a Relative within the meaning of the Shareholders' Rights Law, on the other side;
- any sale, pledge or transfer of the Company's assets if they are the Company's main assets;

- acquisition and sale of interests in other companies as well as the acquisition of other business operations in whole or in substantial parts;
- acquisition, sale or encumbrance of real estate and rights equivalent to real estate and other disposals thereof;
- disposals of industrial property rights and the conclusion and termination of patent, license, know-how and cooperation agreements, if and to the extent that the disposal, conclusion or termination of the agreement goes beyond the ordinary course of business of the Company;
- issuance of options as part of an existing employee participation program, increase in the number of (virtual) shares reserved for an existing employee participation program and the creation of new employee participation programs or comparable schemes;
- entering into corporate relationships of any kind, including silent partnerships and all agreements that grant the other party to the contract a share in the profits of the Company or grant remuneration dependent on the amount of the profit; and
- borrowing for the acquisition of equity investments.

The Management Board must also obtain the approval of the Supervisory Board if it is involved in (i) transactions of the type specified above, (ii) capital measures, or (iii) the conclusion, amendment or termination of intercompany agreements, by giving instructions, consent, casting votes, as a member of the Company's Management Board or in any other way, or can participate in a significant way with respect to affiliated companies.

The members of the Management Board are generally appointed by the Supervisory Board. The Supervisory Board also determines the number of members of the Management Board, their remuneration and the terms of their office. Pursuant to the Articles of Association and the rules of procedure of the Management Board, the members of the Management Board are elected for a term of up to five years. The members of the Management Board are eligible for re-appointment. A member of the Management Board may be removed by a resolution adopted by the Supervisory Board, with or without cause, and cannot be a member of the Management Board and the Supervisory Board at the same time.

Pursuant to the Articles of Association, the Management Board must be composed of at least two members. If a legal entity is appointed as a member of the Management Board of the Company, such legal entity must designate a physical person as a permanent representative, who shall perform this role in the name and on behalf of the legal entity. The relevant legal entity may only remove its permanent representative if it appoints a successor at the same time. An individual may only be a permanent representative of one member of the Management Board and may not be a member of the Supervisory Board at the same time.

The members of the Management Board represent the Company in dealing with third parties. However, with regard to the daily management of the Company as well as the representation of the Company in relation to such daily management, the Management Board, in accordance with the Luxembourg Company Law, may delegate such actions to one or several members of the Management Board, officers or other agents, but not to a member of the Supervisory Board. The Company is bound vis-à-vis third parties by the joint signature of any two members of the Management Board, or by the individual or joint signature of any persons to whom such signatory power may have been delegated by the Management Board within the limits of such delegation.

According to its rules of procedure, the Management Board shall endeavor to hold two meetings in each month. Additional meetings shall be convened if necessary by the chairman of the Management Board. Resolutions of the Management Board are adopted by a simple majority of the votes cast, unless other majorities are required by law, the Articles of Association or the internal rules of procedures. If a voting in the Management Board results in a tie, the vote of the chairman of the Management Board is decisive.

Generally, the Management Board adopts resolutions in meetings. However, the Management Board may, unanimously, pass resolutions by circular means when expressing its approval in writing, by facsimile, electronic mail or any other similar means of communication. Each member of the Management Board may express his/her consent separately, the entirety of the consents evidencing the adoption of the resolutions.

The Management Board shall at least address a written report to the Supervisory Board every three months on the business of the Company and the foreseeable future development thereof. In addition, the Management Board shall regularly inform the Supervisory Board via its chairman of any other important event and business matters which may have a significant impact on the situation of the Company without undue delay.

18.2.1 Composition and Biographical Information

The table below lists the members of the Management Board appointed by the Supervisory Board on July 26, 2024 in the context of the Business Combination:

<u>Name</u>	<u>Age</u>	<u>Member since</u>	<u>Appointed until</u>	<u>Responsibilities</u>
Dr. Sven Thate	54	2024	2027	Sales & Marketing, Service, Strategy, Research & Development
Dr. Reinhard Festag	58	2024	2027	Finance, Operations, Strategy, Research & Development

A third member of the Management Board shall be appointed following the consummation of the Business Combination. The relevant person is yet to be determined.

The following description provides summaries of the curricula vitae of the current members of the Management Board and indicates their principal activities outside the Company to the extent those activities are significant with respect to the Company.

Dr. Sven Thate was born in Bad Dürkheim, Germany, on February 22, 1970.

Dr. Thate holds a PhD in Chemical Engineering from the University of Stuttgart, Germany. He started his career as a Research & Development Project Manager at BASF SE in the areas of electrochemistry and fuel cells. He was promoted to Senior Manager Marketing Electronic Materials in 2007, and to Head of Global Solar Cell Business in 2010. Dr. Thate joined BASF Venture Capital GmbH as Investment Manager in 2014, where he served on several boards and investment committees. In 2020, he joined BigRep as managing director.

Alongside his office as a member of the Management Board, Dr. Thate is, or was within the last five years, a member of the administrative, management or supervisory bodies and/or a partner in the following companies and partnerships outside the Group:

Current:

- None.

Previous:

- Essentium Inc. (board member on behalf of BASF Venture Capital GmbH); and
- HighTech Gründerfonds (member of the investment committee on behalf of BASF Venture Capital GmbH).

Other than listed above, Dr. Thate is not, and was not within the last five years, a member of any administrative, management or supervisory body of any other company or partnership outside the Group.

Dr. Reinhard Festag was born in Heidelberg, Germany, on June 24, 1966.

Dr. Festag holds a Diploma in Physics from the Technical University Darmstadt, Germany, and a PhD in Physical Chemistry from the Philipps University of Marburg, Germany. From 1995 to 1996, Dr. Festag worked as a Research Associate on a NASA project at the University of Tennessee, U.S.

He started his career as Associate at McKinsey & Company in 1997 and left McKinsey & Company as Associate Principal to join Siemens AG in 2003. There he held positions as Head of Operative Improvement Program, Commercial Head of Sales and Director Global Operation. He became Managing Partner at Square Four Investments in 2007, and joined acoreus AG in 2009 as Chief Financial Officer. In 2011, he joined gateprotect AG (later R&S Cybersecurity gateprotect GmbH) as Chief Financial Officer, and Intelligent Views as Chief Executive Officer in 2016. He became Chief Financial Officer and managing director of BigRep in 2020. Dr. Festag holds a lectureship at the Ludwigshafen University of Business and Society.

Alongside his office as a member of the Management Board, Dr. Festag is, or was within the last five years, a member of the administrative, management or supervisory bodies and/or a partner in the following companies and partnerships outside the Group:

Current:

- Officebricks GmbH (member of the advisory board).

Previous:

- Intelligent views (CEO).

Other than listed above, Dr. Festag is not, and was not within the last five years, a member of any administrative, management or supervisory body of any other company or partnership outside the Group.

18.2.2 Contractual Arrangements with Members of the Management Board

The previous service agreements entered into between Dr. Sven Thate and Dr. Reinhard Festag, respectively, on the hand, and BigRep on the other hand, have been cancelled immediately in connection with the closing of the Business Combination in accordance with the Cancellation Agreements. The members of the Management Board have entered into new service agreements with the Company with effect as of the closing of the Business Combination. These service agreements provide for a term of three years as of the closing of the Business Combination for each member of the Management Board.

18.2.3 Compensation and Other Benefits of the Members of the Management Board

The compensation of the members of the Management Board consists of (i) a fixed salary, (ii) an annual bonus, (iii) a long-term bonus granted for the term of the respective service agreement, and (iv) an ongoing participation in the New ESOP, each on the basis of the respective service agreements with the Company.

The fixed salary for each member of the Management Board amounts to €200,000.00 gross per year.

The annual bonus is a variable compensation based on the degree of target achievement for the respective fiscal year, which amounts to €100,000.00 in the event of 100% target achievement. The Supervisory Board shall, at its reasonable discretion, propose targets to each Management Board member for the fiscal year in no later than one month before the start of the respective fiscal year and agree these with the Management Board member in a written target agreement. The targets should be based with one half on Company-related targets and the other half on personal targets. The degree of target achievement for personal targets can range from 80% to 100% and for Company-related targets from 80% to 150%. The Management Board member shall not receive a bonus if the target achievement is 80% or less. If targets are achieved between 80% and 100%, the Management Board member shall receive a bonus calculated on a straight-line basis based on a floor of €50,000.00 that may be achieved in each case. If the Company targets are exceeded, the Management Board member shall receive a further €10,000.00 for each additional 10% target achievement until the maximum amount for the Company targets of €100,000.00 (*i.e.*, €50,000.00 for 100% achievement and up to a further €50,000.00 for 50% outperformance) is reached with a maximum target achievement of 150%.

After a period of three years, the relevant Management Board member shall receive a one-off long-term bonus in the maximum amount of €350,000.00 in accordance with a target agreement, which is determined by mutual agreement and constructively between the Management Board member and the Supervisory Board in good faith and in good time.

Each member of the Management Board will receive 83,333 options under the New ESOP as described under Section “8.5 New ESOP”.

In addition, the Company irrevocably grants each Management Board member the non-transferable right to subscribe to a total of 78,500 Public Shares at a subscription price per share of €0.0548 in accordance with the following provisions as an additional incentive:

- with regard to 15,000 Public Shares, the subscription right may be exercised by such Management Board member for the first time on and from October 31, 2025;
- with regard to a further 15,000 Public Shares, the subscription right may be exercised by such Management Board member for the first time on and from April 30, 2026;
- with regard to a further 20,000 Public Shares, the subscription right may be exercised by such Management Board member for the first time on and from August 31, 2026; and

- with regard to the remaining 28,500 Public Shares, the subscription right may be exercised by such Management Board member for the first time on and from April 30, 2027.

18.2.4 Shareholdings of the Members of the Management Board in the Company

Dr. Sven Thate indirectly holds 37,746 Public Shares and Dr. Reinhard Festag indirectly holds 37,548 Public Shares.

18.3 Supervisory Board

The Supervisory Board is responsible for carrying out the permanent supervision and control of the management of the Company, without being authorized to interfere with such management. For this purpose, the Supervisory Board has an unlimited right of information regarding all operations of the Company and may inspect any of the Company's documents. It may request the Management Board to provide any information necessary for exercising its functions and may directly or indirectly proceed to all verifications, which it may deem useful in order to carry out its duties. In addition, the Supervisory Board will oversee the sustainability policies and practices, in particular in relation to health, safety, environment and compliance with laws concerning environmental and social matters and the review of their implementation.

The members of the Supervisory Board are appointed by the general shareholders' meeting by way of simple majority vote of the shares present or represented. The general shareholders' meeting also determines the Supervisory Board members' remuneration and the terms of office. Pursuant to the rules of procedure of the Supervisory Board, the members of the Supervisory Board are elected for a term not exceeding a period ending at the expiration of the general shareholders' meeting that resolves on the discharge for the exercise of the Supervisory Board member's mandate for the third fiscal year of the term of office. The year of appointment does not count towards the third year. Members of the Supervisory Board may be re-appointed for successive terms. Any member of the Supervisory Board may be removed from office at any time, with or without cause, by the general shareholders' meeting at a two-third majority vote of the shares present or represented.

According to the Articles of Association, the Supervisory Board must be composed of at least three members. According to the Business Combination Agreement, the members of the first Supervisory Board shall be Dr. Peter Smeets (chairman), Florian Hampel (vice-chairman), Philipp Prechtel, Tommy Grosche, and two members proposed by de Krassny. Currently, the Supervisory Board consists of only five members. Other than stipulated by the Business Combination Agreement, de Krassny has not proposed two, but only one member of the Supervisory Board, namely Isabella de Krassny. The Supervisory Board may elect among its members a chairman and a vice-chairman and it may elect a secretary, who does not need to be a shareholder or a member of the Supervisory Board. The chairman of the Supervisory Board is Dr. Peter Smeets and the vice-chairman of the Supervisory Board is Florian Hampel in accordance with the undertaking in the Business Combination Agreement.

If a legal entity is appointed as member of the Supervisory Board, such legal entity must designate an individual as permanent representative, who shall perform this role in the name and on behalf of the legal entity. The relevant legal entity may only remove its permanent representative if it appoints a successor at the same time. An individual may only be a permanent representative of one member of the Supervisory Board and may not be a member of the Management Board at the same time. An individual cannot be a permanent representative of a member of the Supervisory Board and of a member of the Management Board at the same time.

Pursuant to its rules of procedure, the Supervisory Board shall endeavor to hold at least one meeting in each calendar quarter. Additional meetings are convened if necessary.

Unless otherwise provided by mandatory law or the Articles of Association, resolutions of the Supervisory Board are passed with a simple majority of the votes cast. In case of a tie, the vote of the chairman of the Supervisory Board is decisive.

Generally, the Supervisory Board adopts resolutions in meetings. However, the Supervisory Board may, unanimously, pass resolutions by circular means when expressing its approval in writing, by facsimile, electronic mail or any other similar means of communication. Each member of the Supervisory Board may express his/her consent separately, the entirety of the consents evidencing the adoption of the resolutions.

18.3.1 Composition and Biographical Information

The table below lists the current members of the Supervisory Board appointed by the extraordinary and ordinary shareholders' meetings of the Company held on July 25, 2024.

<u>Name</u>	<u>Age</u>	<u>Member since</u>	<u>Appointed until</u>	<u>Principal occupation outside the Company</u>
Dr. Peter Smeets (chairman).....	59	2024	2027	Managing director of 360 Asset Finance GmbH
Philipp Prechtl.....	46	2024	2027	Managing director of Koehler Innovative Solutions GmbH and Koehler Invest GmbH
Florian Hampel (vice-chairman)	53	2024	2027	Commercial director of HAGE Sondermaschinenbau GmbH
Tommy Grosche.....	46	2024	2025	Country manager Germany for Fortinet, Inc.
Isabella de Krassny	65	2024	2027	Managing director of de Krassny

The following description provides summaries of the curricula vitae of the current members of the Supervisory Board and indicates their principal activities outside the Company to the extent those activities are significant with respect to the Company.

Dr. Peter Smeets was born in Rheinfelden/Baden, Germany, on July 10, 1965.

Dr. Peter Smeets holds a PhD in law from the University of Konstanz. After finishing his law studies at Goethe University Frankfurt with a PhD from Konstanz University, he started his career in 1995 at Freshfields. In 2002, he launched his own law firm Smeets Haas Wolff and merged it with Paul Hastings in 2008. He continued to run the German office of Paul Hastings as Managing Partner until leaving the firm in early 2015 to found his own boutique law firm boutique Bruski Smeets Lange.

In order to offer a holistic and broad way of advisory, Dr. Peter Smeets founded 360 Asset Finance GmbH at the beginning of 2018 in order to be able to accompany large transactions not only legally, but also commercially and strategically in all questions of financing and implementation of the optimal capital structure. In March 2021, Dr. Peter Smeets founded Impact on Sustainable Aviation e.V. together with various major international banks (Helaba, ING, Natixis etc.) as an authoritative voice in the definition of financing standards for the implementation of decarbonization towards Net Zero in the aviation industry.

Alongside his office as chairman of the Supervisory Board, Dr. Smeets is, or was within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies or partnerships outside the Group:

Current:

- Bruski Smeets & Lange Rechtsanwälte Partnerschaft mbB (partner);
- Smeets Ventures GmbH (managing director);
- Officebricks GmbH (managing director);
- 360 Asset Finance GmbH (managing director);
- 360 Sustainable Finance AG; (managing director)
- PBS Treuhand GmbH (managing director); and
- Impact on Sustainable Aviation e.V. (member of the board).

Previous:

- None.

Other than listed above, Dr. Smeets is not, and was not within the last five years, a member of any administrative, management or supervisory body of any other company or partnership outside the Group.

Philipp Prechtl was born in Munich, Germany, on June 14, 1978.

Mr. Prechtl holds a degree in Business Administration and Management from the Ludwig-Maximilians-University Munich, Germany. Mr. Prechtl started his professional career as regional sales manager at ALDI Sued. He gained valuable professional experience as a consultant specializing in retail & consumer products at Accenture DACH, Dr. Wieselhuber & Partner GmbH and EY. He joined JACK WOLFSKIN GmbH & Co. KGaA as Head of Retail International in 2013, and re-joined Dr. Wieselhuber & Partner GmbH in 2015 as Senior Manager where he was promoted to Executive Board Member in 2019 as Sector Lead for Retail and Consumer Products and Competence Center Organization. From 2021 to 2022, he served as a member of the Executive Board (EVP) Business Transformation/Development/MPO at Hirmer Retail Group. In November 2022, Mr. Prechtl became Managing Director of Koehler Invest GmbH, where he is responsible for corporate investments and the expansion of start-up cooperations. He is also a member of the Koehler Group's executive board. Since January 2024, Mr. Prechtl is also Managing Director of Koehler Innovative Solutions GmbH.

Alongside his office as a member of the Supervisory Board, Mr. Prechtl is, or was within the last five years, a member of the administrative, management or supervisory bodies and/or a partner in the following companies and partnerships outside the Group:

Current:

- Koehler Paper (member of the executive board);
- Koehler Invest GmbH (managing director);
- Koehler Innovative Solutions GmbH (managing director); and
- The nu Company (member of the advisory board).

Previous:

- None.

Other than listed above, Mr. Prechtl is not, and was not within the last five years, a member of any administrative, management or supervisory body of any other company or partnership outside the Group.

Florian Hampel was born in Judenburg, Austria, on November 27, 1970.

After his apprenticeship as a technical draughtsman in 1988, Mr. Hampel worked in sales and technical design at Hage Sondermaschinenbau GmbH and completed a degree in business administration from 1994 to 1999 at University of Innsbruck. Since 2000, he has been the commercial director of Hage Sondermaschinenbau GmbH.

Alongside his office as a member of the Supervisory Board, Mr. Hampel is, or was within the last five years, a member of the administrative, management or supervisory bodies and/or a partner in the following companies and partnerships outside the Group:

Current:

- HAGE Sondermaschinenbau GmbH (managing director);
- HAGE Holding (managing director); and
- Raiffeisenbank Zirbenland, Austria (member of the supervisory board).

Previous:

- None.

Other than listed above, Mr. Hampel is not, and was not within the last five years, a member of any administrative, management or supervisory body of any other company or partnership outside the Group.

Tommy Grosche was born in Dresden, Germany, on December 27, 1977.

Mr. Grosche holds a Bachelor of Business Administration Degree from the University of Applied Sciences (Leibniz Academy, VWA) Hanover, Germany. Mr. Grosche has a total of 29 years of experience in the high-tech industry, including 22 years in sales and management positions. He has been with Fortinet, a cybersecurity leader, since 2016 and took over the position of Country Manager Germany at the beginning of 2022, where he is responsible for all of Fortinet's business activities in Germany. He leads the management team and steers the sales, channel, technology and marketing strategy. Before taking on his current role, Mr. Grosche was employed as Head of Channel Sales at Fortinet. A graduate in business administration, his previous roles include Sales Director Continental EMEA at Intralinks and experience in senior positions at Symantec, EMC RSA and IBM.

Alongside his office as a member of the Supervisory Board, Mr. Grosche is not and was not within the last five years, a member of the administrative, management or supervisory body and/or a partner of any company and partnership outside the Group.

Isabella de Krassny was born in Vienna, Austria, on September 16, 1958.

Mrs. de Krassny holds a master's degree in Business Administration from the Vienna University of Economics and Business. Mrs. de Krassny has over 34 years of experience in the financial industry and is a distinguished Austrian fund manager and business leader. Earlier in her career, she was a renowned financial analyst at Raiffeisen Centrobank from 2000 to 2010 and served as Vice President of IVA, the Austrian investor protection organization, from 1996 to 2000. Isabella's diverse experience also includes roles as a freelance financial journalist and a supervisory board member at CT Beteiligungs AG from 1990 to 2000. Since 2021, she has been serving as the Managing Director of de Krassny and serves on the supervisory boards of MAVOCO AG and Curasan AG, since 2023 and 2020, respectively. Additionally, she has been the Managing Director of Donau Invest Beteiligungsges.m.b.H. since 2013.

Alongside her office as a member of the Supervisory Board, Mrs. de Krassny is, or was within the last five years, a member of the administrative, management or supervisory bodies and/or a partner in the following companies and partnerships outside the Group:

Current:

- MAVOCO AG (member of the supervisory board);
- Curasan AG (member of the supervisory board);
- Donau Invest Beteiligungsges.m.b.H. (member of the management board); and
- de Krassny (member of the management board)

Previous:

- None.

Other than listed above, Mrs. de Krassny is not, and was not within the last five years, a member of any administrative, management or supervisory body of any other company or partnership outside the Group.

18.3.2 Committees of the Supervisory Board

The Company has appointed an audit committee in accordance with Article 52 of the Luxembourg audit law dated 23 July 2016, as amended. The initial members of the audit committee will be Philipp Prechtl and Florian Hampel. The audit committee shall notably be in charge of the monitoring of the financial reporting drawing-up process and submit recommendations or proposals to ensure its integrity, monitor the effectiveness of the Company's internal quality control and risk management systems and, where applicable, its internal audit, regarding the financial reporting, monitor the statutory audit of the annual and consolidated financial statements, review and monitor the independence of the independent auditors (*réviseur(s) d'entreprises agréé(s)*).

18.3.3 Contractual Arrangements with the Members of the Supervisory Board

The Company has not entered into service agreements with the members of the Supervisory Board.

18.3.4 Compensation and Other Benefits of the Members of the Supervisory Board

The compensation of the Supervisory Board was resolved by an extraordinary shareholders' meeting of the Company held on July 25, 2024, in the context of the approval of the Business Combination.

The compensation of the members of the Supervisory Board is based on fixed compensation elements only. The chairman of the Supervisory Board receives a fixed compensation in the amount of €6,000 gross per month. All other members of the Supervisory Board receive a fixed compensation in the amount of €5,000 gross per month.

No other compensation and/or benefits have been granted to the members of the Supervisory Board.

18.3.5 Shareholdings of the Members of the Supervisory Board in the Company

As of the date of this Prospectus, Dr. Peter Smeets, indirectly through Schneider Smeets BigRep Vermögensverwaltung GbR, holds 12,679 Public Shares. Dr. Peter Smeets also directly holds 3,000 stock options. Florian Hampel, indirectly through HAGE Holding, holds 9,385,792 Public Shares.

Except for the foregoing, none of the members of the Supervisory Board hold any shares or options over shares of the Company.

18.4 Certain Information regarding the Members of the Management Board and Supervisory Board; Conflicts of Interest

Dr. Peter Smeets, Philipp Prechtel, Florian Hampel, Tommy Grosche and Isabella de Krassny have been proposed to the Company's general shareholders' meeting as candidates for the Supervisory Board based on an understanding in the Business Combination Agreement. The same applies with respect to the appointment of Dr. Sven Thate and Dr. Reinhard Festag as members of the Management Board by the Supervisory Board.

18.4.1 Certain Information regarding the Members of the Management Board and the Supervisory Board

There are no family relationship between any of the members of the Management Board and the Supervisory Board. In the last five years, no member of the Management Board or the Supervisory Board has been convicted of fraudulent offences or has been associated with any bankruptcy, receivership, liquidation or companies put into administration acting in its capacity as a member of any administrative, management or supervisory body. In the last five years, no official public incriminations and/or sanctions have been made by statutory or legal authorities (including designated professional bodies) against the members of the Management Board or Supervisory Board, nor have sanctions been imposed by the aforementioned authorities.

No court has ever disqualified any of the members of either board from acting as a member of the administrative, management, or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

18.4.2 Conflicts of Interest

Except as otherwise provided by the Luxembourg Company Law, any member of the Management Board or the Supervisory Board who has, directly or indirectly, a financial interest conflicting with the interest of the Company in connection with a transaction falling within the competence of the Management Board or the Supervisory Board, must inform the Management Board or the Supervisory Board of such conflict of interest and must have his declaration recorded in the minutes of the Management Board or the Supervisory Board meeting. The relevant member of the Management Board or the Supervisory Board may not take part in the discussions relating to such transaction nor vote on such transaction. Any such conflict of interest must be reported to the next general shareholders' meeting prior to such meeting taking any resolution on any other item.

Where, by reason of a conflicting interest, the number of members of the Management Board or the Supervisory Board required in order to validly deliberate is not met, the Management Board or the Supervisory Board may decide to submit the decision on this specific item to the general shareholders' meeting. The conflict of interest rules shall not apply where the decision of the Management Board or the Supervisory Board relates to day-to-day transactions entered into under normal conditions.

As of the date of this Prospectus, there are no conflicts of interest or potential conflicts of interests between members of the Management Board and Supervisory Board with respect to their duties to the Company on the one hand and their private interests, membership in governing bodies of companies, or other obligations on the other hand except for the ones in connection with the Business Combination and disclosed under Section “7.8 Interests of Certain Persons in the Business Combination”.

18.5 General Shareholders’ Meeting

18.5.1 General

The shareholders exercise their collective rights in the general shareholders’ meeting. Any regularly constituted general shareholders’ meeting of the Company shall represent the entire body of shareholders of the Company. The general shareholders’ meeting is vested with the powers expressly reserved to it by the law and by the Articles of Association. In particular, the general shareholders’ meeting has the right to vote on the election of members of the Supervisory Board from a list of candidates proposed by the Sponsors, as well as on the removal of members of the Supervisory Board.

The general shareholders’ meeting of the Company may at any time be convened by the Management Board or the Supervisory Board, to be held at such place and on such date as specified in the notice of such meeting in accordance with the provisions of the law and the Articles of Association, and in accordance with the publicity requirements of any foreign stock exchange applicable to the Company.

The Management Board or the Supervisory Board shall convene the annual general shareholders’ meeting within a period of six months after the end of the Company’s fiscal year. Other meetings of shareholders may be held at such place and time as may be specified in the respective notices of meeting. The general shareholders’ meeting must be convened by the Management Board or the Supervisory Board, upon request in writing indicating the agenda, addressed to the Management Board or the Supervisory Board by one or several shareholders representing at least 10% of the Company’s issued share capital. In such case, a general shareholders’ meeting must be convened and shall be held within a period of one month from the receipt of such request. If following such a request, a general shareholders’ meeting is not held in due time, such shareholder(s) may request the president of the district court (*Tribunal d’Arrondissement*) dealing with commercial matters and sitting as in urgency matters to appoint a delegate which will convene the general shareholders’ meeting.

As long as the shares are admitted to trading on a regulated market within a EU member state, the general shareholders’ meeting of the Company must be convened in accordance with the provisions of the Luxembourg law of May 24, 2011 on the exercise of certain rights of shareholders in general shareholders’ meetings of the shareholders of listed companies, as amended (the “**Luxembourg Shareholder Rights Law**”). In accordance with the Luxembourg Shareholder Rights Law, the convening notice for any general shareholders’ meeting must contain the agenda of the meeting, the place, date and time of the meeting, the description of the procedures that shareholder must comply with in order to be able to participate and cast their votes in the general shareholders’ meeting, a statement of the record date and the manner in which shareholders have to register and a statement that only those who are shareholders on that date shall have the right to participate and vote in the general shareholders’ meeting, indication of the postal and electronic addresses where and how the full unbridged text of the documents to be submitted to the general shareholders’ meeting and the draft resolutions may be obtained and an indication of the address of the internet site on which this information is available, and such notice shall take the form of announcements published (i) at least 30 days before the meeting, in the RESA and in a Luxembourg newspaper and (ii) in a manner ensuring fast access to it on a non-discriminatory basis in such media as may reasonably be relied upon for the effective dissemination of information throughout the European Economic Area. A notice period of at least 17 days applies, in case of a second or subsequent convocation of a general shareholders’ meeting convened for lack of quorum required for the meeting convened by the first convocation, provided that the formalities for the publication of the convening notice had been properly complied with for the first convocation and no new item has been put on the agenda. The notices shall in addition be published in such other manner as may be required by laws, rules or regulations applicable to any stock exchange the Company is listed on, as applicable from time to time.

In accordance with the Luxembourg Shareholder Rights Law, one or several shareholders, representing at least 5% of the Company’s issued share capital, may (i) request to put one or several items to the agenda of any general shareholders’ meeting, provided that such item is accompanied by a justification or a draft resolution to be adopted in the general shareholders’ meeting, or (ii) table draft resolutions for items included or to be included on the agenda of the general shareholders’ meeting. Such requests must be sent to the Company’s registered office in writing by registered letter or electronic means and must be received by the Company at least 22 days prior to

the date of the general shareholders' meeting and include the postal or electronic address of the sender. In case such request entails a modification of the agenda of the relevant meeting, the Company will make available a revised agenda at least 15 days prior to the date of the general shareholders' meeting.

If provided for in the relevant convening notice and the Articles of Association, shareholders may participate in a general shareholders' meeting by any other electronic means made available by the Company, ensuring, notably, any or all of the following forms of participation: (i) a real-time transmission of the general shareholders' meeting; (ii) a real-time two-way communication enabling shareholders to address the shareholders' meeting from a remote location; and (iii) a mechanism for casting votes, whether before or during the general shareholders' meeting, without the need to appoint a proxy who is physically present at the meeting. Any shareholder which participates by electronic means in a general shareholders' meeting shall be considered present for the purposes of the quorum and majority requirements. The use of electronic means allowing shareholders to take part in a general shareholders' meeting may be subject only to such requirements as are necessary to ensure the identification of shareholders and the security of the electronic communication, and only to the extent that they are proportionate to achieving that objective.

If all shareholders are present or represented, the general shareholders' meeting may be held without prior notice or publication.

The provisions of the law are applicable to general shareholders' meetings. The Management Board may determine other terms or set conditions that must be respected by a shareholder to participate in any meeting of shareholders in the convening notice (including, but not limited to, longer notice periods).

A shareholder may act at any general shareholders' meeting by appointing another person, shareholder or not, as his proxy in writing by a signed document transmitted by mail or facsimile or by any other means of communication authorized by the Management Board. One person may represent several or even all shareholders.

A board of the meeting (*bureau*) shall be formed at any general shareholders' meeting, composed of a chairperson, a secretary and a scrutineer, each of whom shall be appointed by the general shareholders' meeting and who do not need to be shareholders nor members of the Management Board or of the Supervisory Board. The board of the meeting shall ensure that the meeting is held in accordance with applicable rules and, in particular, in compliance with the rules in relation to convening the meeting, majority requirements, vote tallying and representation of shareholders.

An attendance list must be kept at any general shareholders' meeting.

In accordance with the Articles of Association, each shareholder may vote at a general shareholders' meeting through a signed voting form sent by post, electronic mail, facsimile or by any other electronic means of communication authorized by the Management Board to the Company's registered office or to the address specified in the convening notice. The shareholders may only use voting forms provided by the Company which contain at least (i) the name or corporate denomination of the shareholder, his/her/its address or registered office, (ii) the number of votes the shareholder intends to cast in the general shareholders' meeting, (iii) the place, date and time of the meeting, (iv) the agenda of the meeting, the proposals submitted to the resolution of the meeting as well as for each proposal three boxes allowing the shareholder to vote in favor of or against the proposed resolution or to abstain from voting thereon by ticking the appropriate boxes. The Company will only take into account voting forms received prior to the general shareholders' meeting to which they relate.

18.5.2 Record Date

Any shareholder who holds one or more share(s) of the Company at midnight (Luxembourg time) on the date falling 14 days prior to (and excluding) the date of the general shareholders' meeting (the "**Record Date**") shall be admitted to the relevant general shareholders' meeting. Any shareholder who wishes to attend the general shareholders' meeting must inform the Company thereof at the latest on the Record Date, in a manner to be determined by the Management Board in the convening notice. In case of shares held through a settlement organization or with a professional depositary or sub-depositary designated by such depositary, a holder of shares wishing to attend a general shareholders' meeting should receive from such operator or depositary or sub-depositary a certificate certifying the number of shares recorded in the relevant account on the Record Date in written or electronic form. The certificate should be submitted to the Company no later than two business days prior to the date of the general shareholders' meeting. In the event that the shareholder votes through proxies, the proxy has to be deposited at the registered office of the Company at the same time or with any agent of the

Company, duly authorized to receive such proxies. The Management Board may set a shorter period for the submission of the proxy.

18.5.3 Amendment of Articles of Association

Subject to the provisions of the Luxembourg law, any amendment of the Articles of Association requires a majority of at least 2/3 of the votes validly cast at a general shareholders' meeting at which at least half of the share capital is present or represented (in case the second condition is not satisfied, a second meeting may be convened in accordance with the Luxembourg law, which may deliberate regardless of the proportion of the capital represented and at which resolutions are taken at a majority of at least 2/3 of the votes validly cast). Abstention and nil votes will not be taken into account for the calculation of the majority.

18.5.4 Right to Ask Questions at the General Shareholders' Meeting

Every shareholder has the right to ask questions related to items on the agenda of general shareholders' meeting. The Company shall answer questions put to it by shareholders subject to measures which it may take to ensure the identification of shareholders, the good order of general shareholders' meetings and their preparation and the protection of confidentiality and the Company's business interests. The Company may provide one overall answer to questions having the same content. Where the relevant information is available on the website of the Company in a question and answer format, the Company shall be deemed to have answered the questions asked by referring to the website.

18.5.5 Adjourning General Shareholders' Meetings

The Management Board may adjourn any general shareholders' meeting already commenced, including any general shareholders' meeting convened in order to resolve on an amendment of the Articles of Association. The Management Board must adjourn any general shareholders' meeting already commenced if so required by one or several shareholders representing at least 10% of the Company's issued share capital. By such an adjournment of a general shareholders' meeting already commenced, any resolution already adopted in such meeting will be cancelled. For the avoidance of doubt, once a meeting has been adjourned pursuant to the second sentence of this section, the Management Board shall not be required to adjourn such meeting a second time.

18.5.6 Minutes of General Shareholders' Meeting

The board of any general shareholders' meeting shall draw up minutes of the meeting, which shall be signed by the members of the board of the meeting as well as by any shareholder who requests to do so. Any copy and excerpt of such original minutes to be produced in judicial proceedings or to be delivered to any third party shall be signed by the CEO or the CIO of the Management Board or by any two of its members.

18.6 Corporate Governance

The corporate governance rules of the Company are based on applicable Luxembourg laws, the Articles of Association and its internal regulations, in particular the rules of procedure of the Management Board and the Supervisory Board.

As a Luxembourg governed company that will be traded on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), the Company is not required to adhere to the Luxembourg corporate governance regime applicable to companies that are traded in Luxembourg or to the German corporate governance regime applicable to listed companies in Germany. The Company has opted to not apply the Luxembourg or German corporate governance regime on a voluntary basis either.

The information on the corporate governance of the Company is published on the Company's website (www.bigrep.com) under the "Investor Relations" section.

19. CERTAIN RELATIONSHIPS AND RELATED-PARTY TRANSACTIONS OF SMG TECHNOLOGY GROUP

In accordance with IAS 24, transactions with persons or companies that are, inter alia, members of the same group as SMG Technology or that are in control of or controlled by SMG Technology must be disclosed unless they are already included as consolidated companies in the SMG Technology Group's consolidated financial statements. Control exists if a shareholder owns more than half of the voting rights in SMG Technology or, by virtue of an agreement, has the power to control the financial and operating policies of SMG Technology's management. The disclosure requirements under IAS 24 also extend to transactions with associated companies, including joint ventures, as well as transactions with persons who have significant influence over SMG Technology's financial and operating policies, including close family members and intermediate entities. This includes the members of the Management Board and close members of their families, as well as those entities over which the members of the Management Board or their close family members are able to exercise a significant influence or in which they hold a significant share of the voting rights.

Set forth below is a summary of such transactions with related parties for the period from August 7, 2023 to December 31, 2023 and up to and including the date of this Prospectus. Further information, with respect to related party transactions, including quantitative amounts, are contained in the notes to SMG Technology's audited consolidated financial statements as of and for the period from August 7, 2023 to December 31, 2023, which are included in this Prospectus under Section "22. Financial Information".

19.1 Transactions with Related Parties

The Sponsor, as lender, and SMG Technology, as borrower, have entered into an unsecured shareholder loan agreement in the amount of up to €3,750,000.00 on August 11, 2023 at the time of the incorporation of the Company (the "**SMG Shareholder Loan**"). The SMG Shareholder Loan was supposed to be utilized for the purpose of financing third-party costs and other working capital requirements until the Private Placement. The SMG Shareholder Loan had a maturity date of one year after the earlier of (i) 30 months following the Private Placement, and (ii) three months after the consummation of the Business Combination, and earned no interest. The Sponsor and SMG Technology have agreed to set off the amount due (€216,646.63) as of the date of the private placement of the Sponsor Warrants against the partial subscription price in the same amount for the 20,000,000 Sponsor Warrants, reflecting 2,000,000 Sponsor Warrants following the Reverse Stock Split, (€3,000,000.00 in the aggregate) subscribed for by the Sponsor in the private placement that occurred immediately prior to the Private Placement. The Sponsor waived any interest accrued on the amount due as of the date of the Private Placement. The SMG Shareholder Loan was terminated prior to the date of this Prospectus.

In total, the Sponsor subscribed for 20,000,000 Sponsor Warrants at a subscription price of €0.15 per Sponsor Warrant (€3,000,000.00 in the aggregate) in the private placement (reflecting 2,000,000 Sponsor Warrants at a price of €1.50 per Sponsor Warrant following the Reverse Stock Split).

The Sponsor has agreed in the Support Agreement to forfeit such Sponsor Warrants. Following the consummation of the Business Combination, the number of Sponsor Warrants amounts to zero.

On May 28, 2024, SMG Technology received repayment of the following amounts owed by the following related parties: (i) €1,092,474.89 from SMG Holding; (ii) €1,034,000.00 from SMG Hospitality SE; and (iii) 773,525.11 from SMG SPAC Investment S.à r.l. SMG Technology still holds a receivable against SMG Holding in the principal amount of €657,525.11 which is due twelve months following the consummation of the Business Combination.

19.2 Relationships with Members of the Management Board and the Supervisory Board

19.2.1 Remuneration of the Members of the Management Board and the Supervisory Board

Given that the Management Board in its current form was only established at the time of the approval of this Prospectus, the members of the Management Board and the Supervisory Board have in aggregate received a remuneration of €385,472 between August 7, 2023 and December 31, 2023.

For a description of the current remuneration of the members of the Management Board, see Section "18.2.3 Compensation and Other Benefits of the Members of the Management Board".

For a description of the current remuneration of the members of the Supervisory Board, see Section “18.3.4 Compensation and Other Benefits of the Members of the Supervisory Board”.

19.2.2 Pensions

As of the date of this Prospectus, the Company did not make any pension commitments to members of the Management Board or the Supervisory Board.

20. CERTAIN RELATIONSHIPS AND RELATED-PARTY TRANSACTIONS OF BIGREP

In accordance with IAS 24, transactions with persons or companies that are, inter alia, members of the same group as BigRep or that are in control of or controlled by BigRep must be disclosed unless they are already included as consolidated companies in BigRep's consolidated financial statements. Control exists if a shareholder owns more than half of the voting rights in BigRep or, by virtue of an agreement, has the power to control the financial and operating policies of BigRep's Management. The disclosure requirements under IAS 24 also extend to transactions with associated companies, including joint ventures, as well as transactions with persons who have significant influence over BigRep's financial and operating policies, including close family members and intermediate entities. This includes BigRep's managing directors and close members of their families, as well as those entities over which the managing directors or their close family members are able to exercise a significant influence or in which they hold a significant share of the voting rights.

Set forth below is a summary of such transactions with related parties for the fiscal years ended December 31, 2023, December 31, 2022 and December 31, 2021. Further information, with respect to related party transactions, including quantitative amounts, are contained in the notes to BigRep's audited consolidated financial statements as of and for the fiscal years ended December 31, 2023, December 31, 2022 and December 31, 2021, which are included in this Prospectus under Section "22. Financial Information".

20.1 Transactions with Related Parties

The following table shows the transactions (*i.e.*, outstanding interest liabilities payable at maturity) for the periods indicated relating to the loans received from entities with significant influence over BigRep, *i.e.*, Koehler and BASF, and from other related parties:

	Fiscal year ended December 31,		
	2023	2022 (audited) (in € thousand)	2021
Transactions resulting from loans received from entities with significant influence over the entity	(79)	(3)	(5)
Transactions resulting from loans received from other related parties	(1)	–	–
Total	(80)	(3)	(5)

The following table shows the balances for the dates indicated relating to the loans received (*i.e.*, principal amounts) from entities with significant influence over BigRep, *i.e.*, Koehler and BASF, and from other related parties:

	December 31, 2023	December 31, 2022	December 31, 2021
	(audited) (in € thousand)		
Loans received from:			
Entities with significant influence over the entity	(3,830)	(1,863)	–
Other related parties.....	(220)	–	–
Total	(4,050)	(1,863)	–

The following tables show the transactions with related parties for the periods indicated:

	Fiscal year ended December 31,		
	2023	2022 (audited) (in € thousand)	2021
Receiving of services from key management personnel.....	–	–	(12)
Purchase of goods from other related parties.....	(130)	(129)	(74)
Total	(130)	(129)	(85)

	Fiscal year ended December 31,		
	2023	2022 (audited) (in € thousand)	2021
Sale of goods to other related party.....	441	184	10
Total	441	184	10

The following table shows the balances with related parties as of the dates indicated:

	December 31, 2023	December 31, 2022 (audited) (in € thousand)	December 31, 2021
Current payables to:			
Key Management Personnel.....	(345)	(1)	(5)
Other related parties.....	(22)	(20)	(7)
Current receivables from:			
Other related parties.....	0	6	–
Total	(367)	(15)	(12)

20.2 Relationships with Members of BigRep's Governing Bodies

Besides their cash compensation, the members of the management board as well as the members of the advisory board of BigRep received short-term employee benefits as well as share-based payments (*i.e.*, equity-settled share-based compensation under BigRep's Existing ESOPs).

The following table shows the aggregated compensation expenses for the management board as well as advisory board members of BigRep for the periods indicated:

	Fiscal year ended December 31,		
	2023	2022 (audited) (in € thousand)	2021
Short-term employee benefits	733	489	554
Share-based payment transactions	–	(97)	263
Total	733	392	817

21. TAXATION IN LUXEMBOURG

Income received from shares or Public Warrants of the Company is subject to taxation. In particular, the tax laws of any jurisdiction with authority to impose taxes on the investor and the tax laws of the Company's state of incorporation, statutory seat and place of effective management i.e., Luxembourg, might have an impact on the income received from shares or Public Warrants of the Company.

The following information is of a general nature only and is based on the laws in force in Luxembourg as of the date of this Prospectus and is subject to any change in law that may take effect after such date. It does not purport to be a comprehensive description of all tax considerations that might be relevant to an investment decision. It is not intended to be, nor should it be construed to be, legal or tax advice. It is a description of the essential material Luxembourg tax consequences with respect to the listing and may not include tax considerations that arise from rules of general application or that are generally assumed to be known to investors. Prospective shareholders or warrant holders should consult their professional advisors with respect to particular circumstances, the effects of state, local or foreign laws to which they may be subject, and as to their tax position.

Please be aware that the residence concept used under the respective headings applies for Luxembourg income tax assessment purposes only. Any reference in this section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. In addition, please note that a reference to Luxembourg income tax generally encompasses corporate income tax (impôt sur le revenu des collectivités), municipal business tax (impôt commercial communal), a solidarity surcharge (contribution au fonds pour l'emploi) as well as personal income tax (impôt sur le revenu). Corporate shareholders or warrant holders may further be subject to net worth tax (impôt sur la fortune) as well as other duties, levies or taxes. Corporate income tax, municipal business tax, the solidarity surcharge and net worth tax invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

21.1 Taxation of the Company

21.1.1 Income Tax

From a Luxembourg tax perspective, Luxembourg companies are considered as being resident in Luxembourg provided that they have either their registered office or their central administration in Luxembourg.

The Company is a fully taxable Luxembourg company. The net taxable profit of the Company is subject to corporate income tax (“CIT”) and municipal business tax (“MBT”) at ordinary rates in Luxembourg.

The maximum aggregate CIT and MBT rate amounts to 24.94% (including the solidarity surcharge for the employment fund) for companies located in the municipality of Luxembourg-city. Liability to such corporation taxes extends to the Company's worldwide income (including capital gains), subject to the provisions of any relevant double taxation treaty. The taxable income of the Company is computed by application of all rules of the Luxembourg income tax law of 4 December 1967, as amended (*loi concernant l'impôt sur le revenu*), as commented and currently applied by the Luxembourg tax authorities (“LIR”). The taxable profit as determined for CIT purposes is applicable, with minor adjustments, for MBT purposes. Under the LIR, all income of the Company will be taxable in the fiscal period to which it economically relates and all deductible expenses of the Company will be deductible in the fiscal period to which they economically relate. Under certain conditions, dividends received by the Company from qualifying participations and capital gains realised by the Company on the sale of such participations, may be exempt from Luxembourg corporation taxes under the Luxembourg participation exemption regime. A tax credit is generally granted for withholding taxes levied at source within the limit of the tax payable in Luxembourg on such income, whereby any excess withholding tax is not refundable (but may be deductible under certain conditions).

Under the participation exemption regime (subject to the relevant anti-abuse rules), dividends derived from shares may be exempt from income tax if (i) the distributing company is a qualified subsidiary (“**Qualified Subsidiary**”) and (ii) at the time the dividend is put at the Company's disposal, the latter holds or commits itself to hold for an uninterrupted period of at least 12 months shares representing either (a) a direct participation of at least 10% in the share capital of the Qualified Subsidiary or (b) a direct participation in the Qualified Subsidiary of an acquisition price of at least €1.2 million (“**Qualified Shareholding**”). A Qualified Subsidiary means notably (a) a company covered by Article 2 of the Council Directive 2011/96/EU dated 30 November 2011 (the “**Parent-Subsidiary Directive**”) or (b) a non-resident capital company (*société de capitaux*) liable to a tax corresponding

to Luxembourg CIT. Liquidation proceeds are assimilated to a received dividend and may be exempt under the same conditions.

If the conditions of the participation exemption regime are not met, dividends derived by the Company from the Qualified Subsidiary may be exempt for 50 % of their gross amount.

Capital gains realised by the Company on shares are subject to CIT and MBT at ordinary rates, unless the conditions of the participation exemption regime, as described below, are satisfied. Under the participation exemption regime (subject to the relevant anti-abuse rules), capital gains realised on shares may be exempt from income tax at the level of the Company (subject to the recapture rules) if at the time the capital gain is realised, the Company holds or commits itself to hold for an uninterrupted period of at least 12 months shares representing a direct participation in the share capital of the Qualified Subsidiary (i) of at least 10% or of (ii) an acquisition price of at least €6 million. Taxable gains are determined as being the difference between the price for which shares have been disposed of and the lower of their cost or book value.

For the purposes of the participation exemption regime, shares held through a tax transparent entity are considered as being a direct participation proportionally to the percentage held in the net assets of the transparent entity.

21.1.2 Net Worth Tax

The Company is as a rule subject to Luxembourg net worth tax (“NWT”) on its net assets as determined for net worth tax purposes. NWT is levied at the rate of 0.5% on net assets not exceeding €500 million and at the rate of 0.05% on the portion of the net assets exceeding €500 million. Net worth is referred to as the unitary value (*valeur unitaire*), as determined at 1 January of each year. The unitary value is in principle calculated as the difference between (i) assets estimated at their fair market value (*valeur estimée de réalisation*), and (ii) liabilities.

Under the participation exemption regime, a Qualified Shareholding held by the Company in a Qualified Subsidiary is exempt for net worth tax purposes.

As from 1 January 2016, a minimum net worth tax (“MNWT”) is levied on companies having their statutory seat or central administration in Luxembourg. For entities for which the sum of fixed financial assets, transferable securities and cash at bank exceeds 90% of their total gross assets and €350,000, the MNWT is set at €4,815. For all other companies having their statutory seat or central administration in Luxembourg which do not fall within the scope of the €4,815 MNWT, the MNWT ranges from €535 to €32,100, depending on their total balance sheet.

21.1.3 Other Taxes

The incorporation of the Company through a contribution in cash to its share capital as well as further share capital increase or other amendment to the articles of incorporation of the Company are subject to a fixed registration duty of €75.

21.1.4 Withholding Taxes

Dividends paid by the Company to its shareholders are generally subject to a 15% withholding tax in Luxembourg, unless a reduced treaty rate or the participation exemption applies. Under certain conditions, a corresponding tax credit may be granted to the shareholders. Responsibility for the withholding of the tax is assumed by the Company. The allocation of warrants from shares that initially started trading with the right to receive such warrants should in principle not lead to the application of a 15% withholding tax in Luxembourg.

A withholding tax exemption applies under the participation exemption regime (subject to the relevant anti-abuse rules), if cumulatively (i) the shareholder is an eligible parent (“**Eligible Parent**”) and (ii) at the time the income is made available, the Eligible Parent holds or commits itself to hold for an uninterrupted period of at least 12 months a Qualified Shareholding in the Company. Holding a participation through a tax transparent entity is deemed to be a direct participation in the proportion of the net assets held in this entity. An Eligible Parent includes notably (a) a company covered by Article 2 of the Parent-Subsidiary Directive or a Luxembourg permanent establishment thereof, (b) a company resident in a State having a double tax treaty with Luxembourg and liable to a tax corresponding to Luxembourg CIT or a Luxembourg permanent establishment thereof, (c) a capital company (*société de capitaux*) or a cooperative company (*société coopérative*) resident in a member state of the EEA other than an EU member state and liable to a tax corresponding to Luxembourg CIT or a Luxembourg

permanent establishment thereof or (d) a Swiss capital company (*société de capitaux*) which is subject to CIT in Switzerland without benefiting from an exemption.

No withholding tax is levied on capital gains and liquidation proceeds.

21.2 Taxation of the Shareholders/Warrant Holders

21.2.1 Tax Residency

A shareholder or warrant holder will not become resident, nor be deemed to be resident, in Luxembourg solely by virtue of holding and/or disposing of shares or warrants or the execution, performance, delivery and/or enforcement of his/her rights thereunder.

21.2.2 Income Tax

For the purposes of this paragraph, a disposal may include a sale, an exchange, a contribution, a redemption and any other kind of alienation of the participation or the warrants.

21.2.2.1 Luxembourg Residents

21.2.2.1.1 Luxembourg Resident Individuals

Dividends and other payments derived from the shares held by resident individual shareholders, who act in the course of the management of either their private wealth or their professional/business activity, are subject to income tax at the ordinary progressive rates. Under current Luxembourg tax laws, 50% of the gross amount of dividends received by resident individuals from the Company may however be exempt from income tax.

Capital gains realised on the disposal of the shares or warrants by resident individual shareholders, who act in the course of the management of their private wealth, are not subject to income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation. Capital gains are deemed to be speculative if the shares or warrants are disposed of within six months after their acquisition or if their disposal precedes their acquisition. Speculative gains are subject to income tax as miscellaneous income at ordinary rates. A participation is deemed to be substantial where a resident individual shareholder holds or has held, either alone or together with his/her spouse or partner and/or minor children, directly or indirectly at any time within the five years preceding the disposal, more than 10% of the share capital of the company whose shares are being disposed of the substantial participation (“**Substantial Participation**”). A shareholder is also deemed to alienate a Substantial Participation if he acquired free of charge, within the five years preceding the transfer, a participation that was constituting a Substantial Participation in the hands of the alienator (or the alienators in case of successive transfers free of charge within the same five-year period). Capital gains realised on a Substantial Participation more than six months after the acquisition thereof are taxed according to the half-global rate method (*i.e.*, the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realised on the Substantial Participation).

Capital gains realised on the disposal of the shares or warrants by resident individual holders, who act in the course of their professional/business activity, are subject to income tax at ordinary rates. Taxable gains are determined as being the difference between the price for which the shares or warrants have been disposed of and the lower of their cost or book value.

21.2.2.1.2 Luxembourg Resident Companies

Dividends and other payments derived from the shares held by Luxembourg resident fully taxable companies are subject to income taxes, unless the conditions of the participation exemption regime, as described below, are satisfied. A tax credit is generally granted for withholding taxes levied at source within the limit of the tax payable in Luxembourg on such income, whereby any excess withholding tax is not refundable (but may be deductible under certain conditions). If the conditions of the participation exemption regime are not met, 50% of the dividends distributed by the Company to a Luxembourg fully taxable resident company are nevertheless exempt from income tax.

Under the participation exemption regime (subject to the relevant anti-abuse rules), dividends derived from the shares may be exempt from CIT and MBT at the level of the shareholder if (i) the shareholder is an Eligible Parent and (ii) at the time the dividend is put at the shareholder’s disposal, the latter holds or commits

itself to hold for an uninterrupted period of at least 12 months a shareholding representing a direct participation of at least 10% in the share capital of Company or a direct participation in the Company of an acquisition price of at least €1.2 million. Liquidation proceeds are assimilated to a received dividend and may be exempt under the same conditions. Capital gains realised by a Luxembourg fully-taxable resident company on the disposal of the shares are subject to income tax at ordinary rates, unless the conditions of the participation exemption regime, as described below, are satisfied.

Under the participation exemption regime (subject to the relevant anti-abuse rules), capital gains realised on the shares or warrants may be exempt from CIT and MBT (save for the recapture rules) at the level of the shareholder if cumulatively (i) the shareholder is an Eligible Parent and (ii) at the time the capital gain is realised, the shareholder holds or commits itself to hold for an uninterrupted period of at least 12 months shares representing either (a) a direct participation of at least 10% in the share capital of the Company or (b) a direct participation in the Company of an acquisition price of at least €6 million. Taxable gains are determined as being the difference between the price for which the shares have been disposed of and the lower of their cost or book value. Under Luxembourg tax law it is debatable to what extent the warrants are eligible for the participation exemption regime although certain case law supports such argumentation in certain circumstances.

For the purposes of the participation exemption regime, shares held through a tax transparent entity are considered as being a direct participation proportionally to the percentage held in the net assets of the transparent entity.

For warrant holders, the exercise of the warrants should not give rise to any immediate Luxembourg tax consequences.

21.2.2.1.3 Luxembourg Resident Companies Benefiting From a Special Tax Regime

A shareholder or warrant holder who is a Luxembourg resident company benefiting from a special tax regime, such as (i) a specialised investment fund governed by the amended law of 13 February 2007, (ii) a family wealth management company governed by the amended law of 11 May 2007, (iii) an undertaking for collective investment governed by the amended law of 17 December 2010 or (iv) a reserved alternative investment fund treated as a specialised investment fund for Luxembourg tax purposes and governed by the amended law of 23 July 2016 is exempt from income tax in Luxembourg and profits derived from the shares or warrants are thus not subject to tax in Luxembourg.

21.2.2.2 Luxembourg Non-Residents

Non-resident shareholders or warrant holders, who have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the shares or warrants are attributable, are not liable to any Luxembourg income tax, whether they receive payments of dividends or realise capital gains on the disposal of the shares or warrants, except with respect to capital gains realised on a Substantial Participation before the acquisition or within the first 6 months of the acquisition thereof, that are subject to income tax in Luxembourg at ordinary rates (subject to the provisions of any relevant double tax treaty) and except for the withholding tax mentioned above.

Non-resident shareholders or warrant holders having a permanent establishment or a permanent representative in Luxembourg to which or whom the shares or warrants are attributable, must include any income received, as well as any gain realised on the disposal of the shares or warrants, in their taxable income for Luxembourg tax assessment purposes, unless the conditions of the participation exemption regime, as described below, are satisfied. If the conditions of the participation exemption regime are not fulfilled, 50% of the gross amount of dividends received by a Luxembourg permanent establishment or permanent representative are however exempt from income tax. Taxable gains are determined as being the difference between the price for which the shares have been disposed of and the lower of their cost or book value.

Under the participation exemption regime (subject to the relevant anti-abuse rules), dividends derived from the shares may be exempt from income tax if cumulatively (i) the shares are attributable to a qualified permanent establishment (“**Qualified Permanent Establishment**”) and (ii) at the time the dividend is put at the disposal of the Qualified Permanent Establishment, it holds or commits itself to hold a Qualified Shareholding in the Company. A Qualified Permanent Establishment means (a) a Luxembourg permanent establishment of a company covered by Article 2 of the Parent-Subsidiary Directive, (b) a Luxembourg permanent establishment of a capital company (*société de capitaux*) resident in a State having a double tax treaty with Luxembourg and (c) a Luxembourg permanent establishment of a capital company (*société de capitaux*) or a cooperative company

(*société coopérative*) resident in a member state of the EEA other than an EU member state. Liquidation proceeds are assimilated to a received dividend and may be exempt under the same conditions. Shares held through a tax transparent entity are considered as being a direct participation proportionally to the percentage held in the net assets of the transparent entity.

Under the participation exemption regime (subject to the relevant anti-abuse rules), capital gains realised on the shares or warrants may be exempt from income tax (save for the recapture rules) if cumulatively (i) the shares or warrants are attributable to a Qualified Permanent Establishment and (ii) at the time the capital gain is realised, the Qualified Permanent Establishment holds or commits itself to hold for an uninterrupted period of at least 12 months shares or warrants representing either (a) a direct participation in the share capital of the Company of at least 10% or (b) a direct participation in the Company of an acquisition price of at least €6 million.

Under Luxembourg tax laws currently in force (subject to the provisions of double taxation treaties), capital gains realised by a Luxembourg non-resident shareholder or warrant holder (not acting via a permanent establishment or a permanent representative in Luxembourg through which/whom the shares are held) are not taxable in Luxembourg unless (a) the shareholder or warrant holder holds a Substantial Participation in the Company and the disposal of the shares or warrants takes place less than six months after the shares or warrants were acquired or (b) the shareholder or the warrant holder has been a former Luxembourg resident for more than fifteen years and has become a non-resident, at the time of transfer, less than five years ago.

21.2.3 Net Worth Tax

A Luxembourg resident as well as a non-resident who has a permanent establishment or a permanent representative in Luxembourg to which the shares or warrants are attributable, are subject to Luxembourg NWT (subject to the application of the participation exemption regime) on such shares or warrants, except if the shareholder or warrant holders is (i) a resident or non-resident individual taxpayer, (ii) a securitization company governed by the amended law of 22 March 2004 on securitization, (iii) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (iv) a professional pension institution governed by the amended law of 13 July 2005, (v) a specialised investment fund governed by the amended law of 13 February 2007, (vi) a family wealth management company governed by the law of 11 May 2007, (vii) an undertaking for collective investment governed by the amended law of 17 December 2010 or (viii) a reserved alternative investment fund governed by the amended law of 23 July 2016.

However, (i) a securitization company governed by the amended law of 22 March 2004 on securitization, (ii) a company governed by the amended law of 15 June 2004 on venture capital vehicles, (iii) a professional pension institution governed by the amended law dated 13 July 2005 and (iv) an opaque reserved alternative investment fund treated as a venture capital vehicle for Luxembourg tax purposes and governed by the amended law of 23 July 2016 remain subject to the MNWT (for further details, please see Section “21.1.2 Net Worth Tax”).

21.2.4 Other Taxes

Under current Luxembourg tax laws, no registration tax or similar tax is in principle payable by the shareholder or warrant holder upon the acquisition, holding or disposal of the shares or warrants. However, a fixed or ad valorem registration duty may be due upon the registration of the shares or warrants in Luxembourg in the case where the shares or warrants are physically attached to a public deed or to any other document subject to mandatory registration, as well as in the case of a registration of the shares or warrants on a voluntary basis.

No inheritance tax is levied on the transfer of the shares or warrants upon death of a shareholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes at the time of his death.

Gift tax may be due on a gift or donation of the shares, or warrants if the gift is recorded in a Luxembourg notarial deed or otherwise registered in Luxembourg.

The disposal of the shares or warrants is not subject to a Luxembourg registration tax or stamp duty, unless recorded in a Luxembourg notarial deed or otherwise registered in Luxembourg.

22. TAXATION IN GERMANY

Income received from shares or Public Warrants of the Company is subject to taxation. In particular, the tax laws of any jurisdiction with authority to impose taxes on the investor and the tax laws of the Company's state of incorporation, statutory seat and place of effective management, i.e., Luxembourg, might have an impact on the income received from shares or Public Warrants of the Company.

The following section outlines certain key German tax principles that may be relevant with respect to the acquisition, holding or transfer of shares or Public Warrants in the Company. It is important to note that the legal situation may change, possibly with retroactive effect. This summary is not and does not purport to be a comprehensive or exhaustive description of all German tax considerations that may be relevant to shareholders of the Company. In particular, this summary does not cover tax considerations that may be relevant to a shareholder that is a tax resident of a jurisdiction other than Germany. This presentation is based upon domestic German tax laws in effect as of the date of this Prospectus and the provisions of double taxation treaties currently in force between Germany and other countries.

This section does not replace the need for individual shareholders of the Company to seek personal tax advice. It is therefore recommended that shareholders consult their own tax advisors regarding the tax implications of acquiring, holding or transferring shares of the Company and, in particular, what procedures are necessary to secure the repayment of German withholding tax (Kapitalertragsteuer), if possible. Only qualified tax advisors are in a position to adequately consider the particular tax situation of individual shareholders.

22.1 Taxation of Shareholders Tax Resident in Germany

22.1.1 Taxation of Dividend Income

22.1.1.1 Shares held as Non-Business Assets

Dividends received by a shareholder who is subject to an unlimited tax liability in Germany and holds his or her shares as non-business assets are, as a general rule, taxed as capital investment income (*Einkünfte aus Kapitalvermögen*) and, as such, subject to a 25% flat tax plus 5.5% solidarity surcharge thereon, if applicable, resulting in an aggregate tax rate of 26.375% (flat tax regime, *Abgeltungsteuer*), plus church tax, if applicable.

If the shares are held in a custodial account with, or managed by, a German resident credit institution, financial services institution (*inländisches Kredit- oder Finanzdienstleistungsinstitut*) (including in each case a German branch of foreign credit institutions or financial service institutions), a securities trading company (*inländisches Wertpapierhandelsunternehmen*) or a securities trading bank (*inländische Wertpapierhandelsbank*) that pays out or credits the shareholder's capital investment income (the "German Disbursing Agent") (*inländische Zahlstelle*) the German Disbursing Agent generally withholds German tax at a rate of 25% (plus 5.5% solidarity surcharge thereon and, if applicable, church tax) on the gross amount of the dividends paid by the Company. However, the German Disbursing Agent must reduce the amount of the German withholding tax by the amount of tax withheld in Luxembourg (15% of the dividends as described under Section "21.1.4 Withholding Taxes"). The German tax resident individual's personal income tax liability with respect to dividends is generally satisfied through the withholding. To the extent withholding tax has not been levied, such as in the case of shares kept in custody abroad, the shareholder must report his or her income derived from the shares on his or her tax return and then will also be taxed at a rate of 25% (plus solidarity surcharge and church tax thereon, where applicable). The Company does not assume any responsibility for the withholding of German tax at source. Shareholders who are subject to an unlimited tax liability in Germany and hold their shares as non-business assets may provide to the German Disbursing Agent either a non-assessment certificate (*Nichtveranlagungsbescheinigung*) issued by their competent local tax office or an exemption declaration (*Freistellungsauftrag*) in the maximum amount of the saver's allowance (*Sparer-Pauschbetrag*) of €1,000 (or, for married couples and for partners of a registered civil partnership in accordance with the Act on Registered Civil Partnerships (*Gesetz über die Eingetragene Lebenspartnerschaft*), in each case if filing jointly, €2,000).

German Disbursing Agents required to collect withholding taxes on capital investment income are required to likewise withhold the church tax on payments to shareholders who are subject to church tax, unless the shareholder objects in writing to the German Federal Central Tax Office against the sharing of his or her private information regarding his affiliation with a religious denomination (*Sperrvermerk*). If church tax is withheld and remitted to the tax authority as part of the withholding tax deduction, the church tax on the dividends is also deemed to be discharged when it is deducted. Since the church tax is already deducted as a special expense in the course of the withholding tax deduction, the withheld church tax cannot be deducted in the tax assessment

as a special expense (*Sonderausgabe*). If no church taxes are withheld along with the withholding of the withholding tax, the shareholder who owes church tax is required to report his dividends in his income tax return. The church tax on the dividends will then be imposed by way of a tax assessment.

Income-related expenses are not tax-deductible, except for the saver's allowance of €1,000 (or, for married couples and for partners of a registered civil partnership in accordance with the Act on Registered Civil Partnerships (*Gesetz über die Eingetragene Lebenspartnerschaft*), in each case if filing jointly, €2,000). Private investors who hold the shares as non-business assets can apply to have their investment income assessed in accordance with the general rules on determining the individual tax rate of the shareholder if this results in a lower tax, but even in this case, income-related expenses are not tax-deductible, except for the saver's allowance of €1,000 (or, for married couples and for partners of a registered civil partnership in accordance with the Act on Registered Civil Partnerships (*Gesetz über die Eingetragene Lebenspartnerschaft*), in each case if filing jointly, €2,000). Further, in such a case, tax withheld in Luxembourg (15% of the dividends as described under Section "21.1.4 Withholding Taxes") can generally be credited against the German tax liability on the Luxembourg dividends received by the German tax resident individual. The current double tax treaty between Germany and Luxembourg does not provide for a reduction of Luxembourg withholding tax on dividends for individuals below the 15% Luxembourg domestic withholding tax rate currently levied in Luxembourg.

As an exemption, dividend payments that are funded in accordance with the statutory requirements from the Company's contribution account for tax purposes (*steuerliches Einlagekonto*; section 27 para. 1, 8 of the German Corporate Tax Act (*Körperschaftsteuergesetz*)) and are paid to shareholders who are subject to unlimited tax liability in Germany whose shares are held as non-business assets, do – contrary to the above – not form part of the shareholder's taxable income provided that such capital repayment is upon application of the Company with the German Federal Tax Office officially certified by the latter. Dividend payments funded from the Company's contribution account for tax purposes (a "Return of Capital") in accordance with the statutory requirements reduce the shareholder's acquisition costs or, if the Return of Capital exceeds the shareholder's acquisition costs, negative acquisition costs will arise. Both can result in a higher capital gain in case of the shares' disposal (see Section "22.1.2 Taxation of Capital Gains from sale of Shares" below). This would not apply if (i) the shareholder or, in the event of a gratuitous transfer, its legal predecessor, or, if the shares have been gratuitously transferred several times in succession, one of his or her legal predecessors at any point during the five years preceding the (deemed, as the case may be) disposal directly or indirectly held at least 1% of the share capital of the Company (a "Qualified Participation"), and (ii) the Return of Capital exceeds the acquisition costs of the shares. In such aforementioned case, a Return of Capital is deemed a sale of the shares and is taxable as a capital gain. In this case, the taxation corresponds with the description in Section "22.1.2 Taxation of Capital Gains from sale of Shares" made with regard to shareholders maintaining a Qualified Participation.

22.1.1.2 *Shares held as Business Assets*

If the shares form part of a German business (including a German permanent establishment of a foreign business investor), the taxation of dividends differs depending on whether the shareholder is a corporation, a sole proprietor or a partnership. The flat tax regime does not apply to dividends paid on shares held by a German tax resident shareholder as business assets.

A Return of Capital that is paid to shareholders who are subject to an unlimited tax liability in Germany whose shares are held as business assets in accordance with the statutory requirements are generally fully tax exempt in the hands of such shareholder provided that such capital repayment is upon application of the Company with the German Federal Tax Office officially certified by the latter. To the extent the Return of Capital exceeds the acquisition costs of the shares, a taxable capital gain should occur. The taxation of such gain corresponds with the description in Section "22.1.2 Taxation of Capital Gains from sale of Shares" made with regard to shareholders whose shares are held as business assets (however, as regards the application of the 95% exemption in case of a corporation, this is not undisputed).

Special rules apply to companies operating in the financial and insurance sectors, as well as to pension funds (see Section "22.5 Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds").

22.1.1.2.1 *Corporations*

For corporations subject to an unlimited corporate income tax liability in Germany, dividends are, as a general rule, effectively 95% tax exempt from corporate income tax (including solidarity surcharge), as 5% of the dividend income is deemed to be non-deductible business expenses and, as such, is subject to corporate income

tax plus solidarity surcharge thereon at a total tax rate of 15.825%. However, dividends received by a shareholder holding a participation of less than 10% in the share capital of the Company at the beginning of the respective calendar year (a “**Portfolio Participation**”) (*Streubesitzbeteiligung*) are fully taxed at the corporate income tax rate including solidarity surcharge thereon. Participations of at least 10% acquired in a single transaction during a calendar year are deemed to be acquired at the beginning of the respective calendar year. Participations held through a partnership that is a partnership being engaged or deemed to be engaged in a business (“**Partnership**”) (*Mitunternehmerschaft*) are attributable to the shareholders *pro rata* in the amount of their participations.

Dividends are fully subject to trade tax, unless the shareholder held an interest of at least 15% in the share capital of the Company at the beginning of the relevant assessment period. In the latter case, effectively 95% of the dividends are also exempt from trade tax. Business expenses actually incurred in connection with the dividends are deductible for corporate income tax and – subject to certain restrictions – also for trade tax purposes. The trade tax rate applicable depends on the tax rate imposed by the local municipalities in which the shareholder maintains its operations or permanent establishment.

Tax withheld on the dividends in Luxembourg is generally not creditable against the corporate income tax liability of the corporate shareholder in Germany, unless the dividend is fully subject to corporate income tax in Germany, *i.e.*, the minimum participation does not apply.

Even if the shares are held in a custodial account with a German Disbursing Agent, there is generally no German withholding tax on dividends paid by the Company to a corporate shareholder.

22.1.1.2.2 *Sole proprietors (individuals)*

Where the shares are held as business assets by an individual who is subject to unlimited tax liability in Germany, 60% of the dividends are taxed at the applicable individual income tax rate plus 5.5% solidarity surcharge on such income tax, if applicable (partial income taxation method, *Teileinkünfteverfahren*) totalling up to a maximum rate of around 47.5%, plus church tax. Correspondingly, only 60% of any business expenses related to the dividends may be deducted for income tax purposes. The partial income method does, however, not apply with respect to church tax (if applicable). Dividends are fully subject to trade tax, unless the sole proprietor holds at least 15% of the Company’s registered share capital at the beginning of the relevant tax assessment period. In this case, the net amount of the dividend (*i.e.*, after deduction of the business expenses directly connected to it) is exempt from trade tax. In general, business expenses are deductible for trade tax purposes but certain restrictions may apply. All or part of the trade tax levied may be credited on a lump sum basis against the sole proprietor’s income taxes, depending on the multiplier set by the relevant municipality and the individual tax situation of the individual shareholder.

Tax withheld in Luxembourg (15% of the dividends as described under Section “21.1.4 *Withholding Taxes*”) should be creditable against the German personal income tax liability with respect to the dividend income.

If the shares are held in a custodial account with a German Disbursing Agent, the German Disbursing Agent is not obliged to withhold German tax on dividends paid by the Company provided that the individual certifies to the German Disbursing Agent on an officially prescribed form that the dividends constitute business income of a German business.

22.1.1.2.3 *Partnerships*

If the shareholder is a Partnership, the individual income tax or corporate income tax is not charged at the level of the Partnership, but at the level of the respective partner. The taxation of each partner depends on whether the partner is a corporation or an individual. Thus, (corporate) income tax (including solidarity surcharge) and, if applicable, church tax will be assessed and levied only at the level of the partners, whereby, in principle, the respective rules applicable to a direct shareholding described above in subsections “22.1.1.2.1 *Corporations*” and “22.1.2.2.2 *Sole proprietors (individuals)*” apply accordingly. Trade tax, however, is assessed and levied at the level of the Partnership if the shares are attributable to a permanent establishment of a commercial business of the Partnership in Germany; this applies irrespective of whether the dividends are attributable to individual partners or corporate partners. The trade tax paid by the Partnership and attributable to the individual’s general profit share is completely or partially credited against the shareholder’s individual income tax on a lump-sum basis. If the Partnership fulfils the prerequisites for the trade tax exemption privilege at the beginning of the relevant assessment period, the dividends (after the deduction of business expenses economically related thereto) should generally not be subject to trade tax. However, in this case, trade tax should be levied on 5% of the dividends to the extent they are attributable to the profit share of a corporation which is a partner of

such Partnership and to whom at least 10% of the shares in the Company are attributable on a look-through basis, since such portion of the dividends should be deemed to be non-deductible business expenses. The remaining portion of the dividend income attributable to other than such specific corporation as partner of such Partnership (which includes individual partners and should, under a literal reading of the law, also include any corporation as partner of such partnership to whom, on a look-through basis, only Portfolio Participations are attributable) should not be subject to trade tax.

The creditability of the tax withheld in Luxembourg against the German corporate or personal income tax depends on whether the partner is a corporation or an individual. If the partner is a corporation, the principles explained for corporations above apply (see subsection “22.1.1.2.1 Corporations” above). If the partner is an individual, the principles explained for individuals above apply (see under subsection “22.1.1.2.2 Sole proprietors (individuals)”).

If the shares are held in a custodial account with a German Disbursing Agent, no German withholding tax arises provided that the Partnership certifies to the German Disbursing Agent on an officially prescribed form that the dividends constitute business income of a German business.

22.1.2 Taxation of Capital Gains from sale of Shares

22.1.2.1 Shares held by Individual Shareholders as Non-Business Assets

Capital gains from the sale and other dispositions (including redemption) of shares which an individual shareholder holds as non-business assets are generally subject to a 25% flat tax (plus 5.5% solidarity surcharge thereon, if applicable, resulting in an aggregate withholding tax rate of 26.375%), plus church tax, if applicable. Losses from the sale of such shares can only be used to offset capital gains from the disposal of shares in stock corporations during the same year or in subsequent years. The amount of the taxable capital gain from the sale is the difference between (a) the proceeds from the sale and (b) the cost of acquisition of the shares and the expenses directly related to the sale. Income-related expenses may not be deducted from capital gains. Return of Capital in accordance with the statutory requirements which are officially certified accordingly by the German Federal Tax Office upon application by the Company with the German Federal Tax Office reduce the original acquisition costs; if respective Return of Capital exceeds the acquisition costs, negative acquisition costs – which can increase a capital gain – can arise in case of shareholders, whose shares are held as non-business assets and do not qualify as Qualified Participation.

If the shares are deposited with or administered by a German Disbursing Agent, the tax on the capital gains is generally settled by way of withholding through the German Disbursing Agent which is required to deduct a withholding tax of 26.375% (including solidarity surcharge), plus church tax, if applicable, of the capital gains from the sale proceeds and remit it to the tax authority. To the extent withholding tax has not been levied, such as in the case of shares kept in custody abroad, the shareholder must report his or her income derived from the shares on his or her tax return and then will also be taxed at a rate of 25% (plus solidarity surcharge and church tax thereon, where applicable).

If, however, a shareholder, or in the case of a gratuitous acquisition, the shareholder’s legal predecessor, directly or indirectly held a Qualified Participation, the flat tax regime does not apply and, rather, 60% of any capital gain resulting from the sale is taxable as business income at the shareholder’s individual income tax rate plus 5.5% solidarity surcharge (and church tax, if applicable) on such income tax. Conversely, 60% of a capital loss from the disposal of the shares is generally recognised for tax purposes. Withholding tax is also deducted by a German Disbursing Agent in the case of a Qualified Participation, but this does not have the effect of a settlement of the shareholder’s tax liability. Upon the shareholder’s assessment to income tax, the withheld and remitted tax is credited against the individual income tax liability. To the extent that the amounts withheld exceed the individual income tax liability of the shareholder, they will be refunded.

Income-related expenses are not tax-deductible, except for the saver’s allowance €1,000 (or, for married couples and for partners of a registered civil partnership in accordance with the Act on Registered Civil Partnerships (*Gesetz über die Eingetragene Lebenspartnerschaft*), in each case if filing jointly, €2,000). Private investors who hold the shares as non-business assets can apply to have their investment income assessed in accordance with the general rules on determining the individual tax rate of the shareholder if this results in a lower tax, but even in this case, income-related expenses are not tax-deductible, except for the saver’s allowance of €1,000 (or, for married couples and for partners of a registered civil partnership in accordance with the Act on Registered Civil Partnerships (*Gesetz über die Eingetragene Lebenspartnerschaft*), in each case if filing jointly, €2,000). If church tax is withheld and remitted to the tax authority as part of the withholding tax deduction, the

church tax on the dividends is also deemed to be discharged when it is deducted. Since the church tax is already deducted as a special expense (*Sonderausgabe*) in the course of the withholding tax deduction, the withheld church tax cannot be deducted in the tax assessment as a special expense. If no church taxes are withheld along with the withholding of the withholding tax, the shareholder who owes church tax is required to report his dividends in his income tax return. The church tax on the dividends will then be imposed by way of a tax assessment.

22.1.2.2 Shares held as Business Assets

Gains on the disposal and other disposition (including redemption) of shares held by an individual or corporation as business assets are in principle not subject to the 25% flat tax plus 5.5% solidarity surcharge thereon (and church tax, if applicable). Withholding tax must only be withheld in the case of a German Disbursing Agent. The tax withheld, however, is not considered to be final as under the flat tax regime. The amount of tax withheld is credited against the shareholder's individual or corporate income tax liability and any amounts withheld in excess of such individual or corporate income tax liability will be refunded. Even if the shares are held in a custodial account with a German Disbursing Agent, there is generally no German withholding tax (i) in the case of a corporate shareholder, or (ii) if the shareholder holds the shares as assets of a business in Germany and certifies this on an officially prescribed form to the German Disbursing Agent. If a German Disbursing Agent nonetheless withholds tax on capital gains, the tax withheld and remitted (including solidarity surcharge, and church tax, if applicable) will be credited against the individual income tax or corporate income tax liability and any excess amount will be refunded.

Return of Capital in accordance with the statutory requirements which are officially certified accordingly by the German Federal Tax Office upon application by the Company with the German Federal Tax Office reduce the original acquisition costs. In case of disposal, a higher taxable capital gain can arise therefrom. If the Return of Capital exceeds the shares' book value for tax purposes, a taxable capital gain can arise.

Special rules apply to companies operating in the financial and insurance sectors, as well as to pension funds (see Section "22.5 Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds").

The taxation of capital gains from the disposal of shares held as business assets depends on whether the shareholder is a corporation, a sole proprietor or a Partnership.

22.1.2.2.1 Corporations

For corporations subject to an unlimited corporate income tax liability in Germany, capital gains from the sale of shares are, as a general rule and currently irrespective of any holding period or percentage level of participation, effectively 95% exempt from corporate income tax (including solidarity surcharge) and trade tax, as 5% of the capital gains are deemed to be non-deductible business expenses and, as such, are subject to corporate income tax plus solidarity surcharge; business expenses actually incurred in connection with the capital gains from a tax perspective are generally tax-deductible. Losses from the sale of shares and other reductions in profit in connection with the shares are generally not deductible for corporate income tax and trade tax purposes. Capital gains are, irrespective of the percentage level of shareholding, effectively 95% exempt from trade tax.

22.1.2.2.2 Sole proprietors (individuals)

60% of capital gains from the sale of shares are taxed at the individual income tax rate plus 5.5% solidarity surcharge, if applicable, (plus church tax, if applicable) on such income tax where the shares are held as business assets by an individual who is subject to unlimited tax liability in Germany. Correspondingly, only 60% of the capital losses, other reductions in profit in connection with the shares and business expenses resulting from a share sale may be deducted for income tax purposes. Only 60% of the capital gains are subject to trade tax. Correspondingly, subject to general restrictions, only 60% of the business expenses resulting from a share sale may generally be deducted for trade tax purposes. All or part of the trade tax levied may be credited on a lump sum basis against the sole proprietor's income taxes, depending on the multiplier set by the relevant municipality and the individual tax situation of the individual shareholder.

22.1.2.2.3 Partnerships

If the shareholder is a Partnership, the individual income tax or corporate income tax is not charged at the level of the Partnership, but at the level of the respective partner. The taxation of each partner depends on whether the partner is a corporation or an individual. Thus, (corporate) income tax (including solidarity surcharge)

and, if applicable, church tax will be assessed and levied only at the level of the partners, whereby, in principle, the respective rules applicable to a direct shareholding described above in subsections 22.1.2.2.1 *Corporations* and 22.1.2.2.2 *Sole proprietors (individuals)* apply accordingly. Trade tax, however, is assessed and levied at the level of the Partnership if the shares are attributable to a permanent establishment of a commercial business of the Partnership in Germany. Generally, 60% of a capital gain attributable to an individual partner and 5% of a capital gain attributable to a corporate partner are taxable. Capital losses or other reductions in profit in connection with the shares sold are not taken into account for purposes of trade tax to the extent they are attributable to a partner that is a corporation, and subject to general restrictions only 60% of these losses or expenses are taken into account to the extent they are attributable to a partner who is an individual.

The trade tax paid by the Partnership and attributable to the individual's general profit share is completely or partially credited against the shareholder's individual income tax in accordance with such lump-sum method.

22.1.3 Taxation of Public Warrants

22.1.3.1 Exercise of the Public Warrants

The tax consequences of an exercise of the Public Warrants are not entirely clear under German tax law. An exercise may be considered a non-taxable acquisition of the underlying Public Shares received upon exercise and thus not a gain realization event. In this case, the acquisition cost would be the sum of the acquisition cost of the Public Warrants and the amount paid. However, there is a risk that the receipt of the Public Shares upon exercise of the Public Warrants is considered a taxable event. In this case and in the event of a cashless exercise, gains derived from the exercise of the Public Warrants should be subject to the tax treatment as described for capital gains derived from the sale or other disposition of the Public Warrants under the subsection "22.1.3.2 *Sale or other Disposition of the Public Warrants*" below.

22.1.3.2 Sale or other Disposition of the Public Warrants

22.1.3.2.1 *Taxation of capital gains of Holders who hold their Public Warrants as private assets*

Capital gains derived from the sale or other disposition of Public Warrants by individual German holders who hold their Public Warrants as private assets constitute taxable investment income. Such capital gains are generally subject to personal income tax at a flat rate of 25% (plus 5.5% solidarity surcharge, if applicable, *i.e.*, in total 26.375%). Capital gains are determined as the difference between (a) the proceeds of the sale or other disposition and (b) the acquisition costs plus the expenses directly connected to the sale or other disposition. It is unclear how the combined subscription price for one Public Share and 1/2 Public Warrant during the Private Placement is allocated between the Public Share and the Public Warrant in order to determine the acquisition costs for tax purposes, but the acquisition costs of the Public Warrants may be deemed zero.

Losses from the sale or other disposition of Public Warrants can only be used to offset investment income during the same year or in subsequent years. Losses resulting from the lapse of Public Warrants should only be offsettable against investment income in an amount of €20,000 per individual tax year. Losses not utilised in the year of their occurrence may be carried forward to subsequent years to be offset up to an amount of €20,000 against investment income derived in the respective subsequent year. A carry back of such losses is not permitted. There is a risk that the same principles apply to losses resulting from the sale or other disposition of the Public Warrants and that such losses, in addition, may be only offsettable against income from forward transactions (*Termingeschäfte*). However, according to a recent decree of the German Ministry of Finance such limitations of loss utilization should not apply to losses from the sale or other disposition of warrants (*Optionsscheine*).

Regarding the option of the holder to be taxed at personal progressive rates, the saver's allowance and the non-deductibility of expenses, the description for capital gains derived from Public Shares applies accordingly.

If the Public Warrants are deposited in a custodial account with or administered by a German Disbursing Agent or a German Disbursing Agent conducts the sale of the Public Warrants, the German Disbursing Agent is generally obliged to withhold tax at a rate of 25% (plus 5.5% solidarity surcharge, if applicable, *i.e.*, in total 26.375%) on the capital gains derived from the sale or other disposition of the Public Warrants and disbursed or credited to the holder of the warrants. The German personal income tax liability with respect to the capital gains is generally satisfied through the withholding. In case the exercise is treated as a taxable event, the German Disbursing Agent may demand that the holder of the Public Warrants provide him the funds necessary to comply with his obligation to withhold tax on the gains derived upon exercise. If the holder refuses to provide the funds

to the German Disbursing Agent, the fiscal authorities may claim the withholding tax directly from the holder of the Public Warrants.

Qualified Participation. It is unclear whether the flat tax rate applies to capital gains derived from the sale or other disposition of Public Warrants by a holder who holds a Qualified Participation in the Company, *i.e.*, a holder (or, in case of a gratuitous acquisition, the holder's predecessor or predecessors) who holds or has held a participation of at least 1% in the share capital of the Company in the last five years prior to the sale. In this case, capital gains may be subject to personal income tax at the holder's personal progressive tax rate. However, the partial-income taxation method should apply then to the capital gains derived by such a holder. If the partial-income taxation method applies, only 60% of the capital gains are taxable and only 60% of the losses from the sale or other disposition and of the expenses economically connected to the sale or other disposition are deductible.

22.1.3.2.2 Taxation of capital gains of Holders who hold their Public Warrants as business assets.

In case the Public Warrants are business assets of a German holder, capital gains are not subject to the flat tax rate for Public Warrants held as private assets. The taxation of capital gains (*i.e.*, the difference between (a) the proceeds of the sale or other disposition and (b) the book value) is determined according to whether the German holder is a corporation, an individual or a Partnership:

Corporations. Capital gains of a corporate German holder of the Public Warrants should be fully subject to corporate income tax (plus solidarity surcharge thereon, if applicable) and trade tax. The participation exemption should not apply to capital gains derived from Public Warrants. There is a risk that losses resulting from the sale, other disposition or lapse of the Public Warrants may be ring-fenced and only offsettable against income from forward transactions (*Termingeschäfte*).

A German Disbursing Agent that holds Public Warrants in a deposit account for a corporate German holder is generally exempt from the obligation to withhold German tax on capital gains derived from the sale or other disposition of the Public Warrants and disbursed or credited to the corporation by the German Disbursing Agent.

Individual entrepreneurs. If the Public Warrants are business assets of an individual entrepreneur, the capital gains are subject to personal income tax at progressive rates (plus the solidarity surcharge thereon, if applicable) and, if the Public Warrants are attributable to a permanent establishment of a commercial business in Germany of such holder, trade tax. The partial-income taxation method should not apply to capital gains derived from the sale or other disposition of Public Warrants. However, this is not undisputed. There is a risk that losses resulting from the sale, other disposition or lapse of the Public Warrants may be ring-fenced and only offsettable against income from forward transactions (*Termingeschäfte*).

Trade tax can be credited in accordance with a lump-sum tax credit method against the personal income tax of the holder. Depending on the trade tax rate imposed by the local municipality and the personal tax situation of the holder, this may result in a full or partial credit of the trade tax.

A German Disbursing Agent that holds Public Warrants in a deposit account for an individual entrepreneur is exempt from the obligation to withhold German tax on capital gains derived from the sale or other disposition of the Public Warrants and disbursed or credited to the individual entrepreneur, provided that the individual entrepreneur certifies to the German Disbursing Agent on an officially prescribed form that the capital gains constitute business income of a German business.

Partnerships. If the German holder is a Partnership, the personal or corporate income tax is not levied at the level of the Partnership but at the level of the respective partner being subject to tax in Germany. The full amount of capital gains included in a corporate partner's share in Partnership profits should be subject to corporate income tax (*i.e.*, the participation exemption should not apply). Capital gains included in an individual partner's share of profits are subject to personal income tax. Arguably, the partial-income taxation method applies to such capital gains. In addition, the capital gains are subject at the full amount to trade tax at the level of the Partnership if the Public Warrants are attributable to a permanent establishment of a commercial business of the Partnership in Germany. However, to the extent that capital gains are included in an individual partner's share in Partnership profits, it is arguable that the partial-income taxation method applies also for trade tax purposes. There is a risk that losses resulting from the sale, other disposition or lapse of the Public Warrants are ring-fenced and only offsettable against income from forward transactions (*Termingeschäfte*).

An individual partner can generally credit the trade tax paid by the Partnership and attributable to his share in Partnership profits against his personal income tax in accordance with a lump-sum tax credit method, resulting in a full or partial credit of the trade tax depending on the trade tax rate imposed by the local municipality and the personal tax circumstances.

A German Disbursing Agent that holds Public Warrants in a deposit account for a Partnership is exempt from the obligation to withhold German tax on capital gains derived from the sale or other disposition of the Public Warrants and disbursed or credited to the Partnership, provided that the Partnership certifies to the German Disbursing Agent on an officially prescribed form that the capital gains constitute business income of a German business.

22.2 Taxation of Shareholders not Tax Resident in Germany

22.2.1 Taxation of Dividend Income

Shareholders who are not tax resident in Germany are only subject to taxation in Germany in respect of their dividend income if their shares form part of the business assets of a permanent establishment or a fixed place of business in Germany, or constitute business assets for which a permanent representative has been appointed in Germany. In general, the situation described above for shareholders tax resident in Germany who hold their shares as business assets applies accordingly (see subsection “22.1.1.2 Shares held as Business Assets”). The withholding tax, if any, deducted and remitted to the tax authorities (including solidarity surcharge, if applicable) is either credited against the individual income tax or corporate income tax liability or refunded in the amount of an excess of such liability.

22.2.2 Taxation of Capital Gains from the sale of shares

Capital gains from the disposal or other disposition (including redemption) of shares by a shareholder not tax resident in Germany are only taxable in Germany if the selling shareholder holds the shares through a permanent establishment or fixed place of business or as business assets for which a permanent representative is appointed in Germany. In such a case, the description above for German tax resident shareholders who hold their shares as business assets applies accordingly (see subsection “22.1.2.2 Shares held as Business Assets”).

22.2.3 Taxation of Public Warrants

Holders (individuals or corporations) of the Public Warrants that are not tax resident in Germany but hold their Public Warrants through a permanent establishment or a fixed place of business in Germany are subject to German tax on the capital gains from the sale or other disposition of the Public Warrants. The rules described above for German holders who hold their Public Warrants as business assets apply accordingly. However, capital gains derived by a corporate holder of the Public Warrants held with a German Disbursing Agent, which is not tax resident in Germany are only exempt from withholding tax if such holder certifies to the German Disbursing Agent on an officially prescribed form that the capital gains constitute business income of a German business.

22.3 Amendment of the Solidarity Surcharge Act

The solidarity surcharge (*Solidaritatzuschlag*) which is an additional levy on the income tax burden of taxable persons in an amount of 5.5% has been partly abolished. Such abolition only affects individuals subject to income tax under the German Income Tax Act (*Einkommensteuergesetz*), hence corporations that are subject to corporate income tax under the German Corporate Income Tax Act (*Korperschaftsteuergesetz*) will not be affected by such abolition at all. As a result, the solidarity surcharge would only be levied if the income tax burden (*tarifliche Einkommensteuer*) exceeds an exemption limit of €17,543 (or €35,086 in case of married couples and for partners of a registered civil partnership in accordance with the Act on Registered Civil Partnerships (*Gesetz uber die Eingetragene Lebenspartnerschaft*), in each case if filing jointly). If the taxable income of an investor exceeds such exemption limit, the solidarity surcharge rate increases continuously up to a total levy of 5.5% on the income tax burden.

However, the partial abolition of the solidarity surcharge will not affect the withholding of taxes (*Kapitalertragsteuer*). A solidarity surcharge will still be levied on the withholding tax amount and withheld accordingly. There will not be a refund of any solidarity surcharge (regardless of the aforementioned exemption limits) if the withholding tax cannot be refunded either.

22.4 German Controlled Foreign Corporation Rules (*Außensteuergesetz*)

Tax residents of Germany will have to include in their income (and file corresponding special tax returns with regard to) distributed and undistributed earnings of a foreign company in which they hold directly or indirectly shares if the foreign company qualifies as a low taxed controlled foreign corporation, for German tax purposes. Neither the (partial) exemption of dividends from German tax nor the reduced tax rates under the flat regime (*Abgeltungssteuer*) apply to these amounts; however, a subsequent dividend paid by the foreign company or a capital gain derived from the sale of shares in the foreign company will be exempt from German taxation in the hands of the investor to the extent of such previously attributed amount. A foreign company generally (i) qualifies as low taxed if the foreign company (as determined under German tax accounting principles) is subject to income tax of less than 25% and (ii) qualifies as a controlled foreign corporation if a German tax resident alone or together with associated persons holds directly or indirectly more than 50% of the voting rights or shares in the foreign corporation and further requirements are met.

However, with regard to certain passive portfolio income (*Zwischeneinkünfte mit Kapitalanlagecharakter*) of a foreign company (including, among other things, interest and capital gains from the disposal of financial instruments but excluding dividends received, and including passive portfolio income generated by a foreign subsidiary of such foreign company) the German shareholders will be required to include these amounts into income on a *pro rata* basis regardless of whether the majority of the shareholders is resident in Germany. Subject to certain thresholds, the inclusion will take place if the passive portfolio income of such foreign company (as determined under German tax accounting principles) is subject to income tax of less than 25%. However, a German shareholder may escape such taxation of undistributed earnings if (i) he holds less than 1% of the issued share capital of the Company at the end of the Company's fiscal year and (ii) (x) the foreign company's income does not derive exclusively or almost exclusively (90% of the gross income) from certain passive portfolio income (*Zwischeneinkünfte mit Kapitalanlagecharakter*) or (y) he can show that a regular and substantial trading in the Company's main class of shares takes place at a recognised stock exchange.

22.5 Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds

As an exception to the aforementioned rules, dividends paid to, and capital gains realised by, certain companies in the financial and insurance sector are fully taxable. Since 1 January 2017, the aforementioned exclusions of (partial) tax exemptions for corporate income tax and trade tax purposes apply to shares which, in the case of credit institutions or financial services institutions, are to be allocated to the trading portfolio (*Handelsbestand*) within the meaning of the German Commercial Code (*Handelsgesetzbuch*). As a consequence, such credit institutions or financial services institutions cannot benefit from the effectively 95% exemption from corporate income tax, solidarity surcharge and trade tax. Therefore, dividend income and capital gains are fully taxable. The same applies to shares held by finance companies where (i) credit institutions or financial services institutions hold, directly or indirectly, a participation of more than 50% in the respective finance company, and (ii) the finance company must disclose the shares as current assets (*Umlaufvermögen*) as of the time they are initially recognised as business assets. Likewise, the tax exemption described earlier afforded to corporations for dividend income and capital gains from the sale of shares does not apply to shares that qualify as a capital investment in the case of life insurance and health insurance companies, or those which are held by pension funds.

However, an exemption to the foregoing, and thus a 95% effective tax exemption, applies to dividends obtained by the aforementioned companies, to which the council directive 2011/96/EU (parent subsidiary directive) applies.

22.6 The Proposed Financial Transactions Tax

On 14 February 2013, the European Commission published a proposal (the “**Commission's Proposal**”) for a directive for a common financial transaction tax in certain participating member states of the EU, including Germany. Such directive could, depending on the actual circumstances, apply to certain transactions in the Company's shares, including with respect to secondary market transactions. The issuance and subscription of shares should, however, be exempt. The Commission's Proposal remains subject to negotiations between the participating member states of the EU and it is currently unclear in what form and when the Commission's Proposal will be implemented, if at all. Recently, the German Federal Minister of Finance has submitted a proposal to introduce a financial transaction tax, which has also not yet been adopted or implemented in Germany. Prospective shareholders are advised to seek their own professional advice in relation to a future financial transaction tax.

22.7 Inheritance and Gift Tax

The transfer of shares to another person by inheritance or gift is generally only subject to German inheritance or gift tax if:

- i. the decedent, donor, heir, beneficiary or other transferee maintained his domicile or habitual abode in Germany, or had its place of management or registered office in Germany at the time of the transfer, or is a German citizen who has spent no more than five consecutive years (this term is extended to ten years for German expatriates with residence in the United States) prior to the transfer outside Germany without maintaining a residence in Germany (special rules apply to certain former German citizens who neither maintain their domicile nor have their habitual abode in Germany); or
- ii. the shares were held by the decedent or donor as part of business assets for which a permanent establishment was maintained in Germany or for which a permanent representative in Germany had been appointed; or
- iii. the decedent or donor, either individually or collectively with related parties, held, directly or indirectly, at least 10% of the Company's registered share capital at the time of the inheritance or gift.

Currently, there is no double taxation treaty on inheritance tax and gift tax in force between Germany and Luxembourg. Special rules apply to German citizens living outside Germany and to former German citizens.

The fair value of the shares represents the tax assessment base, which generally corresponds to the stock exchange price of the Company's shares. Depending on the degree of relationship between decedent or donor and recipient, different tax-free allowances and tax rates apply.

22.8 Other Taxes

No German real estate transfer tax, VAT, stamp duty or similar taxes are currently assessed on the purchase, sale or other transfer of shares of the Company. Provided that certain requirements are met, an entrepreneur may, however, opt for the payment of VAT on transactions that are otherwise tax-exempt. Net wealth tax is currently not imposed in Germany.

23. FINANCIAL INFORMATION

Audited Consolidated Financial Statements as of and for the Period from August 7, 2023 to December 31, 2023 (Prepared in Accordance with IFRS) of SMG Technology Acceleration SE, Luxembourg	F-2
Independent Auditor's Report	F-3
Consolidated Statement of Comprehensive Income	F-7
Consolidated Statement of Financial Position	F-8
Consolidated Statement of Changes in Equity	F-9
Consolidated Statement of Cash Flows	F-10
Notes to the Consolidated Financial Statements	F-11
Audited Consolidated Financial Statements as of and for the Year Ended December 31, 2023 (Prepared in Accordance with IFRS) of BigRep GmbH, Berlin	F-27
Independent Auditor's Report	F-28
Consolidated Statement of Comprehensive Income	F-30
Consolidated Statement of Financial Position	F-31
Consolidated Statement of Changes in Equity	F-32
Consolidated Statement of Cash Flows	F-33
Notes to the Consolidated Financial Statements	F-34
Audited Consolidated Financial Statements as of and for the Years Ended December 31, 2022 and December 31, 2021 (Prepared in accordance with IFRS) of BigRep GmbH, Berlin	F-70
Independent Auditor's Report	F-71
Consolidated Statement of Comprehensive Income	F-73
Consolidated Statement of Financial Position	F-74
Consolidated Statement of Changes in Equity	F-75
Consolidated Statement of Cash Flows	F-76
Notes to the Consolidated Financial Statements	F-77

Audited Consolidated Financial Statements
as of and for the Period from August 7, 2023 to December 31, 2023
(Prepared in Accordance with IFRS)
of SMG Technology Acceleration SE, Luxembourg

SMG Technology Acceleration SE

To the Shareholders
R.C.S. Luxembourg B279346
9, rue de Bitbourg
L- 1273 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **SMG Technology Acceleration SE** and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year for the period from 7 August 2023 (date of registration) to 31 December 2023, and the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended for the period from 7 August 2023 (date of registration) to 31 December 2023 in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (“Law of 23 July 2016”) and with International Standards on Auditing (“ISAs”) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (“CSSF”). Our responsibilities under the EU regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of “réviseur d’entreprises agréé” for the Audit of the Consolidated Financial Statements » section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to notes 3, 16 and 19 to the consolidated financial statements.

As of 31 December 2023, the Group has open receivables from related entities amounting to EUR 2.919.998 net of valued adjustments of EUR 657.525.

Total liabilities due and payable within one year amount to EUR 3.283.576.

Due to the delay in completion of the intended business combination (Agreement signed on 20 December 2023), the Group experienced a liquidity shortage, among others arising from significant costs already incurred in connection with the Business Combination, and its listing.

On 28 May 2024, the Group received repayment of amounts owed by the following affiliated undertakings:

- EUR 1.092.474,89 from SMG Holding S.à r.l.;
- EUR 1.034.000,00 from SMG Hospitality; and
- EUR 773.525,11 from SMG SPAC Investment S.à r.l.

The target Company was made aware of the Company's liquidity situation and as a result of this the terms of the business combination agreement were amended accordingly.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Based on the result of our audit procedures no Key Audit Matter was identified for the audit of the consolidated financial statements as of 31 December 2023.

Other information

The Management Board is responsible for the other information. The other information comprises the information stated in the consolidated annual report including the management report and the Corporate Governance Statement but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Management Board and Those Charged with Governance for the Consolidated Financial Statements

The Management Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Management Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

The Management Board is responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format as amended ("the ESEF Regulation").

Responsibilities of the "réviseur d'entreprises agréé" for the Audit of the Consolidated Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014,

the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.
- Conclude on the appropriateness of Management Board’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the “réviseur d’entreprises agréé” to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the “réviseur d’entreprises agréé”. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Assess whether the consolidated financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, “related safeguards” or “actions taken to eliminate threats or safeguards applied”.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on Other Legal and Regulatory Requirements

We have been appointed as “réviseur d’entreprises agréé” by the Shareholders upon resolutions on 27 July 2023 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 1 year,

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The accompanying Corporate Governance Statement is presented on page 6 of the consolidated financial statements. The information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We have checked the compliance of the consolidated financial statements of the Group as of 31 December 2023 with relevant statutory requirements set out in the ESEF Regulation that are applicable to the financial statements. For the Group, it relates to:

- Financial statements prepared in valid XHTML format;
- The XBRL markup of the Consolidated Financial Statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion, the consolidated financial statements of the Group as of 31 December 2023, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We confirm that the audit opinion is consistent with the additional report to the audit committee or equivalent.

We confirm that the prohibited non-audit services referred to in the EU Regulation No 537/2014 were not provided and that we remained independent of the Group in conducting the audit.

Other Matter

This audit report cancels and replaces the audit report issued on 4 June 2024 on the same consolidated financial statements as of 31 December 2023, in which erroneous reference was made to the audit of the consolidated financial statements as of 31 December 2022 in the Key Audit Matters paragraph.

Luxembourg, 05 June 2024

For Forvis Mazars, Cabinet de révision agréé
5, rue Guillaume J. Kroll
L-1882 LUXEMBOURG

Fabien Delante
Réviseur d'entreprises agréé

SMG Technology Acceleration SE
Consolidated statement of comprehensive income for the period
from 7 August 2023 to 31 December 2023

	Note	<u>Period from 7 August to 31 December 2023</u> EUR
Revenue		—
Other operating expenses	5	<u>(2,538,832)</u>
Operating loss		(2,538,832)
Fair value loss on class B warrants	13.1	(3,272,000)
Fair value loss on class A warrants	13.2	(1,373,900)
Finance income	7	101,816
Finance costs	6	(384,137)
Other income		<u>1,251</u>
Loss before income tax		(7,465,802)
Income tax	8	<u>—</u>
Loss for the period		(7,465,802)
Other comprehensive income		<u>—</u>
Total comprehensive loss for the period, net of tax		<u>(7,465,802)</u>
Loss per share attributable to equity holders of the parent:	9	
Net earnings per share		(0.34)
Diluted earnings per share		(0.34)

The accompanying notes form an integral part of these consolidated financial statements.

SMG Technology Acceleration SE

Consolidated statement of financial position as at 31 December 2023

	Note	<u>31 December 2023</u> EUR
ASSETS		
Current assets		
Cash in escrow	10	22,060,816
Receivable from related parties	17	2,919,998
Other receivables		4,212
Cash and cash equivalents	11	<u>27,916</u>
Total current assets		<u>25,012,942</u>
Total assets		<u>25,012,942</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	12	120,000
Share premium		750,000
Accumulated deficit		<u>(7,465,802)</u>
Total equity		<u>(6,595,802)</u>
Current liabilities		
Class B warrants at fair value	13.1	6,272,000
Class A warrants at fair value	13.2	1,384,900
Redeemable class A shares	14	20,623,769
Trade and other payables	15	3,283,576
Payable to related party	17	<u>44,499</u>
Total current liabilities		<u>31,608,744</u>
Total liabilities		<u>31,608,744</u>
Total equity and liabilities		<u>25,012,942</u>

The accompanying notes form an integral part of these consolidated financial statements.

SMG Technology Acceleration SE

Consolidated statement of changes in equity for the period from 7 August 2023 to 31 December 2023

	Note	Subscribed capital EUR	Share premium EUR	Accumulated deficit EUR	Total equity EUR
Issuance of 21,900,000 class B shares	12	120,000	—	—	120,000
Capital contribution without issuance of shares . .		—	750,000	—	750,000
Issuance of 22,000,000 class A shares	14	120,560	21,868,440	—	21,989,000
Reclassification of class A shares from equity to liability (IAS 32)	14	(120,560)	(21,868,440)	—	(21,989,000)
Results for the financial period		—	—	(7,465,802)	(7,465,802)
Balance, 31 December 2023		<u>120,000</u>	<u>750,000</u>	<u>(7,465,802)</u>	<u>(6,595,802)</u>

The accompanying notes form an integral part of these consolidated financial statements.

SMG Technology Acceleration SE

Consolidated statement of cash flows for the period from 7 August 2023 to 31 December 2023

	Note	<u>Period from 7 August to 31 December 2023</u> EUR
Cash flows from operating activities		
Loss before income tax		(7,465,802)
<i>Adjustments for non-cash items:</i>		
Finance cost	6	384,137
Finance income	7	(101,816)
Fair value gain on class B warrants	13.1	3,272,000
Fair value gain on class A warrants	13.2	1,373,900
<i>Changes in working capital:</i>		
Increase in receivables from related parties	17	(2,919,998)
Increase in other receivables		(4,212)
Increase in trade and other payables	15	3,283,576
Increase in payable to related party	17	44,499
Interest received	7	101,816
Net cash flows used in operating activities		<u>(2,031,900)</u>
Cash flows from financing activities		
Proceeds from issuance of class B shares	12	120,000
Proceeds from capital contribution without issuance of shares	12	750,000
Proceeds from issuance of class B warrants	13.1	3,000,000
Proceeds from issuance of class A warrants	13.2	11,000
Proceeds from issuance of class A shares, net of Private Placement costs	14	20,239,632
Net cash flows from financing activities		<u>24,120,632</u>
Net increase in cash and cash equivalents		22,088,732
Of which:		
Increase in restricted cash (Cash in Escrow)	10	(22,060,816)
Cash and cash equivalents, beginning		<u>—</u>
Cash and cash equivalents at end of period		<u><u>27,916</u></u>

The accompanying notes form an integral part of these consolidated financial statements.

SMG Technology Acceleration SE

Notes to the consolidated financial statements for the period ended 31 December 2023

1. GENERAL INFORMATION

SMG Technology Acceleration SE (the “Company” or “Parent” and the “Group” if taken together with its subsidiaries) was incorporated on 27 July 2023 (date of incorporation per the deed of incorporation in front of the notary) in Luxembourg as a European company (“*Société Européenne*” or “SE”) based on the laws of the Grand Duchy of Luxembourg (“Luxembourg”). The Company is registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés*, in abbreviated “RCS) under the number B279346 since 7 August 2023. The Company is a listed entity with its class A shares traded in the regulated market of Frankfurt Stock Exchange under the symbol “7GG” since 27 October 2023. The Class A Warrants are not admitted to trading or listed on the Frankfurt Stock Exchange. The Company also has 21,900,000 class B shares and 20,000,000 class B warrants issued and outstanding as at 31 December 2023 that are not listed on a stock exchange (See Notes 12 and 13.1).

The share capital of the Company on 7 August 2023 was set to EUR 120,000, represented by 12,000,000 class B shares without nominal value. The share capital has been fully paid up.

The founder and sponsor of the Company is SMG Technology Holding S.à r.l. (the “Sponsor”), a wholly-owned subsidiary of SMG Holding S.à r.l. (the “Ultimate shareholder”). As at 31 December 2023, the Sponsor owns 100% of the class B shares in the Company.

The registered office of the Company is located at 9, rue de Bitbourg, L-1273 Luxembourg.

The Company’s governing bodies are the Management Board, the Supervisory Board and the shareholders’ meeting. The Company is managed by its Management Board under the supervision and control of the Supervisory Board. This two-tier governance structure was resolved by an extraordinary shareholders’ meeting of the Company held on 25 September 2023. The Management Board is composed of Dr. Stefan Petrikovics (Chief Executive Officer), René Geppert (Chief Operating Officer), George Aase (Chief Financial Officer) and Werner Weynand (Chief Administration Officer). The Supervisory Board members appointed consists of Ewald Weizenbauer (Chairman), Rhett Oudkerk Pool, Benoît de Belder and Dr. Geza Toth-Feher Lord of Kennal (the “Supervisory Board”).

The Company has been established for the purpose of acquiring one operating business with principal business operations in a member state of the European Economic Area (the “EEA Member States”), the United Kingdom or Switzerland that is based in the technology sector, which shall encompass primarily the following verticals: additive manufacturing/3D printing, software as a service (SaaS), and digital infrastructure/blockchain-based technologies, through a merger, capital stock exchange, share purchase, asset acquisition, reorganization, or similar transaction and forming a business combination with such operating business (the “Business Combination”).

The Company will not conduct operations or generate operating revenue unless and until the Company consummates the Business Combination. The Company will have 12 months from the date of the admission to trading (the “Business Combination Deadline”) to consummate a Business Combination. Otherwise, the Company will be liquidated and distribute substantially all of its assets to its shareholders (other than the Sponsor).

Pursuant to article 2 of the current articles of association, the Company’s purpose is the creation, holding, development and realization of a portfolio, consisting of interest and rights of any kind and of any other form of investment in entities in the Grand Duchy of Luxembourg and in foreign entities, whether such entities exist or are to be created, especially by way of subscription, by purchase, sale, or exchange of securities or rights of any kind whatsoever, such as equity instruments, debt instruments as well as the administration and control of such portfolio.

The Company may further grant any form of security for the performance of any obligations of the Company or of any entity in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of entities as the Company and lend funds or otherwise assist any entity in which it holds a direct or indirect interest or right of any kind or in which the Company has invested in any other manner or which forms part of the same group of companies as the Company.

The Company may borrow in any form and may issue any kind of notes, bonds and debentures and generally issue any debt, equity and/or hybrid securities in accordance with Luxembourg law.

The Company may carry out any commercial, industrial, financial, real estate or intellectual property activities which it may deem useful in accomplishment of these purposes.

Unlike other forms of companies, a Société Européenne only exists from the date of publication of its statutes with the RCS. Accordingly, the interim consolidated financial statements of SMG Technology Acceleration SE and its subsidiaries (collectively the “Group”) were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union for the period from 7 August 2023 (date of registration of the Company with the RCS) to 31 December 2023 and were authorized for issue in accordance with a resolution of the Management Board on 30 April 2024. The consolidated financial statements are published in accordance with the European Single Electronic Format regulation on the Company’s website (<https://www.smg-spac.com/>).

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

The Company’s financial year starts on 1 January and ends on 31 December of each year, with the exception of the first financial year which started on 7 August 2023 (date of registration with the RCS) and ended on 31 December 2023.

The consolidated financial statements have been prepared on a going concern basis (See Note 3) and in accordance with International Financial Report Standards (IFRS) published by the International Accounting Standards Board (IASB) as adopted by the European Union. They are also prepared in Euros (EUR) which is the Group’s presentation and functional currency and have been prepared under the historical cost convention, except for financial instruments that are measured at fair value.

2.2. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (together referred as the “Group”) as at 31 December 2023.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is the presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangements with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group’s voting rights and potential voting rights.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3. Summary of significant accounting policies

International accounting standards include IFRS, IAS (International Accounting Standards) and their interpretations (Standing Interpretations Committee) and IFRICs (International Financial Reporting Interpretations Committee).

The repository adopted by the European Commission is available on the following internet site: https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/financial-reporting_en#ifrs

a) **New standards, amendments and interpretations that were issued but not yet applicable in as at 31 December 2023 and that are most relevant to the Group**

- **Amendments to IAS 1—not yet endorsed by the EU:** Classification of Liabilities as Current or Non-current. In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively.
- **Amendments to IAS 1—not yet endorsed by the EU:** Non-current Liabilities with Covenants. In October 2022, the IASB issued Non-current Liabilities with Covenants, (Amendments to IAS 1), to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 1 January 2024.
- **Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments—not yet endorsed by the EU:** In May 2023, the IASB published ‘Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)’ to add disclosure requirements, and ‘signposts’ within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments are effective for reporting periods beginning on or after 1 January 2024.
- **Amendments to IAS 12 Income Taxes: International Tax Reform—Pillar Two model Rules:** the amendments introduce a mandatory exception for the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules and disclosure requirements for affected entities to help users of the financial statements better understand an entity’s exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date. The amendments are effective for reporting periods beginning on or after 1 January 2024.

The initial application of these standards, interpretations and amendments to existing standards is planned for the period of time from when its application becomes compulsory. Currently, the Management Board anticipates that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial information of the Group.

b) **New Standards Issued—effective from 1 January 2023**

The Company applied for the first time certain standards, amendments and interpretations which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Company has not early adopted any other standard, amendment or interpretation that has been issued but not yet effective.

- **Amendments to IAS 1 and IFRS Practice Statement 2:** Disclosure of Accounting policies. In February 2021, the IASB issued amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for annual periods beginning on or after 1 January 2023.
- **Amendments to IAS 8:** Definition of Accounting Estimate. In February 2021, the IASB issued amendments to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after 1 January 2023.
- **Amendments to IAS 12:** Deferred Tax related to Assets and Liabilities arising from a Single Transaction. In May 2021, the IASB amended the standard to reduce diversity in the way that entities account for deferred tax on transactions and events, such as leases and decommissioning obligations, that lead to the initial recognition of both an asset and a liability. The amendments apply for annual reporting periods beginning on or after 1 January 2023 and may be applied early.

The Group adopted these Standards and Interpretations in the current financial year and considered to have no material impact on the financial information of the Group.

c) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of comprehensive income in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

When the amount of aggregate consideration transferred is in excess of the fair value of the net assets acquired a goodwill is recognized. Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

d) Foreign currencies

These consolidated financial statements are presented in EUR, which is the Parent Company and subsidiaries' functional currency and presentation currency.

Transactions denominated in currencies other than the EUR are recorded at the exchange rate at the transaction date.

e) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date i.e. the date that the Group commits to purchase or sell the asset.

Financial assets: The Group classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets; and

- The contractual cash flow characteristics of the financial asset.

The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit and loss, transaction costs.

Financial assets measured at amortised cost: This is the category most relevant to the Group. A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit and loss when the asset is derecognised, modified or impaired.

The Group includes in this category cash and cash equivalents, other receivables, receivable from sponsors and other related entities, loans receivable, and cash in escrow.

Financial liabilities: The financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or financial liabilities at amortised cost.

The Group's financial liabilities include trade and other payables, payable to sponsors and other related parties, redeemable class A shares, class A warrants at fair value and class B warrants at fair value.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities measured at amortised cost: This is the category most relevant to the Group. After initial recognition, trade and other payables, payable to sponsors and other related parties and redeemable class A shares are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of comprehensive income.

Financial liabilities through profit or loss: Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of comprehensive income.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Derecognition: A financial asset is derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

Impairment of financial assets: The Group has chosen to apply an approach similar to the simplified approach for expected credit losses ("ECL") under IFRS 9 to its financial assets. Therefore, the Group recognises a loss allowance based on lifetime ECLs at each reporting date. The Group's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information

that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions

f) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. The carrying amounts of these approximate their fair value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

g) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

h) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

i) Taxes

Income tax recognized in the consolidated statement of comprehensive income includes current and deferred taxes.

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of comprehensive income.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax assets are tested for impairment on the basis of a tax planning derived from management business plans.

Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

j) Share-based payments

The Management Board is currently assessing whether certain class B shares and class B warrants issued to the Sponsor, Co-Sponsor and Supervisory Board Investors of the Company are to be considered as falling in the scope of IFRS 2. The Management Board will notably adopt its position based on market discussions and/or positions adopted by market players, supervisory authorities and/or standard setters.

In any case, the class B shares and class B warrants do not carry a specified service period, but would be forfeited or otherwise expire worthless if a business combination is not consummated. Therefore, the Sponsor, Co-Sponsor and Supervisory Board Investors only derive the value from the class B shares and class B warrants when they are converted into class A shares upon a successful business combination. Consequently, the grant date of these awards does not occur until the target is approved. As of 31 December 2023, irrespective of the conclusions of the ongoing assessment carried out by the Management Board, no amounts would have had to be accounted for provided that no such approval has occurred.

k) Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised in as part of other operating expenses in the consolidated statement of comprehensive income, together with a corresponding increase in equity, over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the consolidated statement of comprehensive income for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the recipient of the share-based payment. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results and outcomes may differ from management's estimates and assumptions due to risks and uncertainties, including uncertainty in the current economic environment in light of the ongoing military conflict between Ukraine and Russia, or as a result of the current turmoil in the Banking horizon due to the recent collapse of several banks.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

As at 31 December 2023, the significant areas of estimates, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in these consolidated financial statements are:

- Going concern: Despite the EUR 6,595,802 negative equity of the Group as at 31 December 2023, the Management Board decided to prepare these consolidated financial statements on a going concern basis for the following reasons:
 - On one hand, the redeemable class A shares, amounting to EUR 20,623,769, that are presented as current liabilities (debt instruments) in accordance with IAS 32, are true equity of the Company from a legal standpoint (see Note 14);
 - On the other hand, the class B warrants amounting to EUR 6,272,000 (See Note 13.1), which are currently presented as current liabilities, will not be required to be paid in cash. These class B warrants have no redemption rights or liquidation distribution rights and will expire worthless in case of liquidation.
 - Furthermore, the class A warrants amounting to EUR 1,384,900 (See Note 13.2) are redeemable at the option of the Company, hence, this does not pose any liquidity issues to the Group. Further, these class A warrants have no liquidation distribution rights and will expire worthless in case of liquidation.

In addition, the Management Board underlying assumption to prepare the consolidated financial statements is based on the anticipated successful completion of the Business Combination. On 28 May 2024, the Company also received repayment of intercompany receivables in total amount of EUR 2,900,000 which provides sufficient liquidity to the Group to continue its operations.

- Deferred tax asset: A deferred tax asset in respect of the tax losses incurred has not been recognised as the Management Board estimates uncertainty in terms of future taxable profit against which the Group can utilise the benefits therefrom (See Note 8).
- Classification of Redeemable class A shares: The Management Board assessed the classification of redeemable class A shares in accordance with IAS 32 under which the redeemable class A shares do not meet the criteria for equity treatment and must be recorded as liabilities (See Note 14). The class A shares feature certain redemption rights that are considered to be outside of the Company's control and subject to occurrence of uncertain future events. Accordingly, the Company classifies the Redeemable class A shares as financial liabilities at amortised cost in accordance with IFRS 9. The transaction costs directly

attributable to issuance of the redeemable class A shares which are subscribed via private placement (“Private Placement”) are deducted against the initial fair value.

- Classification and measurement of warrants: The Management Board assessed the classification of warrants in accordance with IAS 32 under which the warrants do not meet the criteria for equity treatment and must be recorded as derivatives. Accordingly, the Company classifies the class A warrants and class B warrants as liabilities at their fair value and adjusts them to fair value at each reporting period. This liability is subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in the consolidated statement of comprehensive income. The fair value of class A warrants is determined using a combination of Monte Carlo and Binomial Tree valuation model for periods when there are no observable trades, as of each relevant date. Likewise, the class B warrants which are not listed to the stock exchange are also independently valued using a combination of Monte Carlo and Binomial Tree valuation model to determine its fair value.
- Class B shares and warrants as share-based payments: The Management Board is currently assessing whether certain class B shares and warrants issued to the Sponsor of the Company are to be considered as falling in the scope of IFRS 2. The Management Board will notably adopt its position based on market discussions and/or positions adopted by market players, supervisory authorities and/or standard setters.

In any case, the class B shares and class B warrants do not carry a specified service period, but would be forfeited or otherwise expire worthless if a business combination is not consummated. Therefore, the Sponsor only derives the value from the class B shares and class B warrants when they are converted into class A shares upon a successful business combination. Consequently, the grant date of these awards does not occur until the target is approved. As of 31 December 2023, irrespective of the conclusions of the ongoing assessment carried out by the Management Board, no amounts would have had to be accounted for provided that no such approval has occurred.

4. GROUP INFORMATION

Subsidiaries

These consolidated accounts include all the activities of the Group as at 31 December 2023.

Entities included in the scope of consolidation are listed below:

Consolidated Entities	Principal Activities	Country of incorporation	% of equity interest As at 31 December 2023
SMG Technology Acceleration SE	Special purpose acquisition company	Luxembourg	Parent company
SMG Technology Advisors GmbH & Co. KG, hereby referred to as “SMG Advisors KG”	Support services to SMG Technology Acceleration SE	Germany	100%
SMG Technology Advisors Verwaltungs-GmbH, hereby referred to as “SMG Advisors GmbH”	General partner of SMG Advisors KG	Germany	100%

Segment information

The Group is currently organised as one reportable segment. The Group has been deemed to form one reportable segment as the Parent and its subsidiaries have been established together for the purpose of acquiring one operating business i.e. the Business Combination (Note 1).

5. OTHER OPERATING EXPENSES

The other operating expenses mainly consist of fees for accounting, legal and other services not related to the Private Placement.

	From 7 August 2023 to 31 December 2023
	EUR
Other professional fees	691,184
Impairment of receivable from related parties	657,525
Audit fees	404,264
Directors fees	385,473
Legal fees	234,390
Accounting and corporate fees	146,487
Travel expenses	12,679
Bank charges	791
Other expenses	6,039
Total	<u>2,538,832</u>

The total audit fees paid breaks down as follows:

	From 7 August 2023 to 31 December 2023
	EUR
Statutory audit of the annual accounts	128,320
Audit-related fees ^(*)	431,094
Total	<u>559,414</u>

(*) of which EUR 155,150 incurred in relation to the IPO and capitalized as part of redeemable class A shares.

The Company did not have any employees during the period ended 31 December 2023.

6. FINANCE COSTS

For the period ended 31 December 2023, finance costs in the amount of EUR 384,137 pertain to the amortization of class A shares (see Note 14).

7. FINANCE INCOME

For the period ended 31 December 2023, finance income in the amount of EUR 101,816 pertains to interest income earned on cash in escrow.

8. INCOME TAXES

The reconciliation between actual and theoretical tax expense is as follows:

	From 7 August 2023 to 31 December 2023
Loss for the period before tax	(7,465,802)
Theoretical tax charges, applying the tax rate of 22.80%	1,702,203
Tax effect of adjustments from local GAAP to IFRS ⁽¹⁾	(742,458)
Non-deductible items	(87,888)
Tax effect of difference in tax rates	26,455
Unrecognized deferred tax assets	(898,312)
Income tax	<u>—</u>

(1) Income taxes payable to / recoverable from the tax authorities are determined based on the financial results of SMG Technology Acceleration SE and its subsidiaries as shown in their stand-alone financial statements prepared in local GAAP. Hence adjustments from local GAAP to IFRS may lead to higher / lower taxable result in the consolidated financial statements as compared to that determined based on the stand-alone financial statements.

The tax rate used in the reconciliation above is the Luxembourgish tax rate (22.80%) as the Company is domiciled in Luxembourg. Deferred tax assets have not been recognised in respect of the loss incurred for the period ended 31 December 2023, because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom. Unused tax losses of the Company can be used within a period of 17 years as per Luxembourg tax law.

9. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share (“EPS”) is calculated by dividing the profit/(loss) for the year by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit/(loss) for the year by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	From 7 August 2023 to 31 December 2023
Loss for the period	EUR (7,465,802)
Weighted average number of ordinary shares for EPS	<u>21,900,000</u>
Basic and Diluted EPS	<u>EUR (0.34)</u>
	From 7 August 2023 to 31 December 2023
Weighted average number of potential ordinary shares which are antidilutive:	
Redeemable class A shares	9,750,000
Warrants (class A and B)	<u>13,801,370</u>
Total	<u>23,551,370</u>

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these consolidated financial statements.

10. CASH IN ESCROW

Cash in escrow of EUR 22,060,816 consists of the gross proceeds from the Private Placement (See Notes 13.2 and 14). The cash held in escrow from the gross proceeds on the Private Placement is set aside to pay the following, in case of Business Combination: i) payment of class A shares for which the redemption right was exercised, net of any interest, fees and taxes, ii) fixed deferred listing commission (See Note 18), and iii) any remaining amount will be returned to the Company.

If the Company does not consummate a Business Combination, the amounts standing on the escrow will be returned to the Company, and eventually to the holders of class A shares for the portion of the proceeds on the Private Placement, net of any interest, fees and taxes.

The fair value of cash in escrow approximates its carrying value as at 31 December 2023 (level 3).

As at 31 December 2023, the positive interest on the cash in escrow amounts to EUR 101,816 presented as finance income in the consolidated statement of comprehensive income.

11. CASH AND CASH EQUIVALENTS

The amount of cash and cash equivalents was EUR 27,916 as at 31 December 2023.

The fair value of cash and cash equivalents (level 3) approximate its carrying value as at 31 December 2023.

12. ISSUED CAPITAL AND RESERVES

Share capital—class B shares

As at 31 December 2023, the subscribed share capital amounts to EUR 120,000 consisting of 21,900,000 class B shares without nominal value.

Upon and following the completion of the Business Combination, the class B shares existing at that point in time shall convert into class A shares in accordance with the conversion schedule (the “Promote Schedule” in the “Glossary” of the Prospectus).

The class B shares will only have nominal economic rights (i.e., reimbursement of their par value, at best, in case of liquidation). The class B shares were not part of the Private Placement and are not listed on a stock exchange.

Share capital—class A shares

On 26 October 2023, the Company issued 22,000,000 redeemable class A shares with a par value of approximately EUR 0.00548 per share, together with class A warrants (together, a “Unit”) for an aggregate price of EUR 1 per Unit, the nominal subscription price per class A warrant being EUR 0.001. The total proceeds allocated to class A shares, with the share premium amounts to EUR 20,239,632 after Private Placement costs of EUR 1,749,368. Because the class A shares are redeemable under certain conditions, the Management Board concluded that the class A shares do not meet the definition of an equity instrument as per IAS 32. Hence, the class A shares are considered as debt instruments (See Notes 3 and 14).

Other available reserve

On 25 October 2023, it was resolved to raise additional funding to the Company in the form of an equity contribution in cash without the issuance of new shares (account 115 of the Luxembourg standard chart of accounts) for a total amount of EUR 750,000 in order to cover for operating expenses.

Authorised capital

As at 31 December 2023, the authorized capital, excluding the issued share capital, of the Company is set at EUR 10,839,440 consisting of 1,978,000,000 shares without nominal value.

Legal reserves

The Company is required to allocate a minimum of 5% of its annual net profit to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

13. WARRANTS

13.1 Class B warrants at fair value

The Sponsor has subscribed for an aggregate of 20,000,000 Sponsor Warrants for a purchase price of EUR 0.15 per warrant or EUR 3,000,000 in total for the sponsor capital at-risk (the “Sponsor Capital At-Risk”).

The Sponsor and the Company agreed to set off the amount due under a loan agreement in the amount of EUR 216,646.63, at the time of the incorporation of the Company in order to finance the Company’s working capital requirements until the Private Placement, as amended (the “Shareholder Loan”) against part of the aggregate subscription price payable by the Sponsor for these Sponsor Warrants. The Shareholder Loan was repaid during the period ended 31 December 2023.

The Sponsor Capital At-Risk will, next to the additional purchase price for the Sponsor Shares, be used to finance the Company’s ongoing working capital requirements (including due diligence costs in connection with the Business Combination), Private Placement and Listing expenses, except for the Deferred Listing Commissions, that will, if and when due and payable, be paid from the Escrow Account.

The Sponsor Warrants will not be transferable, assignable or saleable (except to Permitted Transferees) until the consummation of the Business Combination. From the consummation of the Business Combination, Public Shares held by the Sponsor due to the exercise of Sponsor Warrants and due to the conversion of Sponsor Shares into Public Shares will be subject to the Sponsor Lock-Up.

On the issue date, the fair value of class B warrants was determined to be EUR 0.2069 per warrant using a combination of Monte Carlo and Binomial Tree valuation model (level 3). Class B warrants issued as Sponsor Capital At-Risk are valued at EUR 4,138,000.

The above valuation resulted in the recognition of a day-one gain of EUR 1,138,000.

As at 31 December 2023, the fair value of class B warrants was determined to be EUR 0.3136 per warrant using a combination of Monte Carlo and Binomial Tree valuation model (level 3). Class B warrants issued as Sponsor Capital At-Risk are valued at EUR 6,272,000.

The above valuation resulted in the recognition of fair value gain of EUR 3,272,000 for the period from the issue date to the closing date, and a net fair value gain of EUR 2,134,000 for the period from 27 October 2023 to 31 December 2023. The significant inputs to the valuation model include the contractual terms of the warrants (i.e. exercise price, maturity), risk-free rates of German government bonds, volatility of the Company’s potential target peers and volatility of the warrants by reference to traded warrants issued by similar listed special purpose acquisition companies.

The Sponsor Warrants have substantially the same terms as the class A warrants, except that they cannot be redeemed and they may always be exercised on a cashless basis while they are held by the Sponsor or its Permitted Transferees. The Sponsor Warrants were not part of the Private Placement and neither the Sponsor Warrants nor the class A warrants will be listed on a stock exchange.

13.2 *Class A warrants at fair value*

On 27 October 2023, the Private Placement resulted in issuance of 22,000,000 Public Shares and 11,000,000 class A warrants (together, a “Unit”).

Each Unit has a Unit Price of EUR 1.00 and consists of one Public Share with a subscription right for one half of a Class A Warrant. Each whole Class A Warrant entitles the holder thereof to purchase one Public Share at a price of EUR 1.15 per Public Share.

The Public Shares and Class A Warrants comprising the Units will be separated upon issuance and only the Public Shares will trade.

Fractional Class A Warrants will not be issued upon separation of the Units and may be neither exercised nor redeemed for cash. The Class A Warrants will not be admitted to trading or listed on the Frankfurt Stock Exchange.

On the issue date, the fair value of class A warrants was estimated at EUR 953,700 (EUR 0.0867 per warrant) using a combination of Monte Carlo and Binomial Tree valuation model (level 3), resulting in the recognition of a day-one gain of EUR 942,700.

As at 31 December 2023, the fair value of class A warrants was estimated to be EUR 1,384,900 (EUR 0.1259 per warrant) using a combination of Monte Carlo and Binomial Tree valuation model (level 3), resulting in the recognition of fair value gain of EUR 1,373,900 for the period from issue date to closing date and a net fair value gain of EUR 431,200 for the period from 27 October 2023 to 31 December 2023. The significant inputs to the valuation model include the contractual terms of the warrants (i.e. exercise price, maturity), risk-free rates of German government bonds, volatility of the Company’s potential target peers and volatility of the warrants by reference to traded warrants issued by similar listed special purpose acquisition companies.

Class A Warrant and each whole Class A Warrant entitles the holder to subscribe for one Public Share. The Class A Warrants will become exercisable 30 days after the consummation of the Business Combination. The Class A Warrants expire five years from the consummation of the Business Combination, or earlier upon redemption or liquidation.

14. REDEEMABLE CLASS A SHARES

On 27 October 2023, the Company issued 22,000,000 redeemable class A shares with a par value of EUR 0.00548, International Securities Identification Number (“ISIN”) LU2699152265, (each a “Public Share” or a “Class A Share”) and 11,000,000 class A warrants through a private placement. The Public Shares and Class A Warrants were issued in the Private Placement in the form of units, each consisting of one Public Share with a par value of EUR 0.00548 and one-half of a Class A Warrant (the “Unit”), at a price of EUR 1.00 per Unit. Holders of class A shares are entitled to one vote for each share. On the issue date, the redeemable class A shares are measured at amortised cost valued at EUR 20,239,632, net of transaction costs amounting to EUR 1,749,368.

Transaction costs, which are incremental costs that are directly attributable to the issuance of the class A shares and its subsequent listing to the Frankfurt Stock Exchange, were deducted from its initial fair value. The transaction costs include Listing Fee (See Note 18), legal fees, audit fees, accounting and administration fees, and CSSF fees.

As at 31 December 2023, the amortized cost of the redeemable class A shares amounts to EUR 20,623,769 after amortisation of EUR 384,137 calculated using the EIR method. This amortization is presented as part of finance cost in the consolidated statement of comprehensive income. As at 31 December 2023, the fair value of Redeemable class A shares is estimated at EUR 23,980,000 which is the nominal value of the redemption price of the shares (level 3).

The Company will have 12 months from the date on which trading in the Public Shares formally commences on the Frankfurt Stock Exchange to consummate a Business Combination. If the Company fails to consummate a Business Combination within the Business Combination Deadline or the Management Board formally acknowledges that the Company will not be able to proceed with a Business Combination within that period,

the Company will be liquidated and distribute substantially all of its assets to its shareholders (other than the Sponsor).

Class A Shareholders may request redemption of all or a portion of their class A shares in connection with the Business Combination, subject to the conditions and procedures set forth in the Articles of Association. Class A shares will only be redeemed under the following conditions, (i) the Business Combination is approved by the general meeting of shareholders and subsequently consummated, (ii) a holder of class A shares notifies the Company of its request to redeem a portion or all of its Class A shares in writing by completing a form approved by the Management Board for this purpose that will be included with the convening notice for the general meeting of shareholders and such notification is received by the Company not earlier than the publication of the notice convening the general meeting of shareholders for the approval of the Business Combination and (iii) the holder of Class A shares transfers its class A shares to a trust depositary account specified by the Company and/or blocked on the account of the redeeming shareholder, (ii) and (iii) both not later than two business days prior to the date of the general meeting of shareholders convened for the purpose of approving the Business Combination.

Each class A share that is redeemed shall be redeemed in cash for a price equal to the aggregate amount on deposit in the escrow account related to the proceeds from the Private Placement of the class A shares and warrants, divided by the number of the then outstanding class A Shares, subject to (i) the availability of sufficient amounts on the escrow account and (ii) sufficient distributable profits and reserves of the Company.

Because the class A shares are redeemable under certain conditions, the Management Board concluded that the class A shares do not meet the definition of an equity instrument as per IAS 32. Hence, the class A shares are considered as debt instruments (See Note 3).

15. TRADE AND OTHER PAYABLES

Trade and other payables amount to EUR 3,283,576 as at 31 December 2023.

Trade and other payables are related to legal and other services received by the Group. The carrying amounts of these approximate their fair value (level 3) as at 31 December 2023.

Out of the total trade and other payables, the Company has EUR 1,079,170 of unpaid overdue payables as at 31 December 2023, which break down as follows:

- Overdue since more than 3 months (and less than 6 months) amounts to EUR 142,560;
- Overdue since more than 1 month (and less than 3 months) amounts to EUR 936,610.

As of the date of approval of the financial statements these balances remain unpaid. The EUR 2.900.000 repayments received from affiliated undertakings post balance sheet date (see Note 19) will however allow the Company to settle these outstanding balances.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group conducted no operations and currently generated no revenue. The Group has no foreign currency transactions and no interest bearing loans. Hence, currently the Group is not exposed to foreign currency risks nor any interest rate risks.

Liquidity risks

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Company has completed its Private Placement and listing on the Frankfurt Stock exchange. The proceeds from the Private Placement are deposited in an escrow account. The amount held in the escrow account will only be released in connection with the completion of the Business Combination or the Company's liquidation. As at 31 December 2023, the Management Board believes that the funds available to the Group outside of the secured deposit account are sufficient to pay costs and expenses incurred by the Group prior to the completion of the Business Combination. Furthermore, the Group has financial instruments which are presented as current liabilities which does not impose any liquidity issues to the Group. The class B warrants related to Sponsor Capital At-Risk and amounting to EUR 6,272,000 (See Note 13.1) have no redemption rights or liquidation distribution rights and will expire worthless in case of liquidation. Furthermore, the class A warrants amounting to EUR 1,384,900 are redeemable at the option of the Company (See Note 13.2) hence, does not pose any

liquidity issues to the Group. Further, these class A warrants have no liquidation distribution rights and will expire worthless in case of liquidation.

The table below summarizes the maturity profile of the Group's liabilities based on contractual undiscounted payments (excluding warrants as discussed above):

	<u>Less than 3 months</u>	<u>3 to 12 months</u>	<u>Total 31 December 2023</u>
	EUR	EUR	EUR
Redeemable class A shares	—	22,000,000	22,000,000
Trade and other payables	3,283,576	—	3,283,576
Payable to related party	44,499	—	44,499
	<u>3,328,075</u>	<u>22,000,000</u>	<u>25,328,075</u>

As at 31 December 2023, the Group has sufficient cash in escrow to cover for the redemption value of the class A shares and it also has receivables from related parties sufficient to cover for the other liabilities. On 28 May 2024, the Company received repayment of receivables from the related parties in total amount of EUR 2,900,000 adding additional liquidity.

Capital management

The Management Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. In order to meet the capital management objective described above, the Group has raised funds through a Private Placement reserved to certain qualified investors inside and outside of Germany, and had the class A shares issued in the context of this Private Placement admitted to listing and trading on the Frankfurt Stock Exchange. The above-mentioned financial instruments issued as part of this Private Placement represent what the entity is managing as capital, although these instruments are considered as debt instruments from an accounting standpoint.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is currently exposed to credit risk from its financing activities, including deposits with banks and financial institutions as well as its receivables from related parties. No specific counterparty risk is being assessed as cash and cash equivalents are mostly deposited with a P-1 (Moody's) or A-2 (S&P's) rated bank.

17. RELATED PARTIES DISCLOSURES

Parties are considered to be related if one party has the ability to control the other or exercise significant influence over the other party in making financial or operational decisions.

Terms and conditions of transactions with related parties

As at 31 December 2023, receivables from related parties amounting to EUR 2,919,998 comprise of short-term, interest-free advances to related parties in the amount of EUR 2,899,999 (please also refer to note 19), and advance payment made to directors in the amount of EUR 20,000.

As at 31 December 2023, the payable to related parties amounting to EUR 44,499 relate to payments, short-term advances and overpayments made by related entities on behalf of the Company.

There have been no guarantees provided or received for any related party receivables or payables as at 31 December 2023.

Commitments with related parties

There are no commitments with related parties as at 31 December 2023, except those already disclosed in these consolidated financial statements.

Transactions with key management personnel

The Company has a receivable from a director amounting to EUR 20,000 pertaining to an advance payment made to directors. The amount is included in the receivables from related parties.

Aside from the above, there are no advances or loans granted to members of the Management Board as at 31 December 2023.

The Management Board and Supervisory Board members received remuneration during the period ended on 31 December 2023 as disclosed in Note 5 under “Directors fees”.

18. COMMITMENTS AND CONTINGENCIES

In accordance with the Prospectus, the Company will be liable to pay the below amounts which are contingent to certain events as follows:

- A success fee of 2.5% of the gross proceeds from the Private Placement (which excludes Sponsor generated amounts) on the date of the consummation of the Business Combination;
- A business combination completion fee of 0.5% of the gross proceeds from the Private Placement less any cancellations of subscriptions, split between the joint bookrunners.

The success fee and business combination completion fee will be paid from the escrow account.

The Group has no other commitments and contingencies as at 31 December 2023.

19. EVENTS AFTER THE REPORTING YEAR

Due to the delay in completion of the intended business combination signed on 20 December 2023, the Company experienced a liquidity shortage, among others from significant costs already incurred in connection with the Business Combination and its IPO. Consequently on 27 May 2024, the Sponsor sold 13.362.000 Class B shares of the Company to a third party, i.e. De Krassny GmbH, for an amount of EUR 2.900.000. The cash proceed was advanced by the Sponsor to certain affiliated undertakings which in turn repaid their amounts owed to the Company.

On 28 May 2024, the Company received repayment of amounts owed by the following related parties:

- EUR 1.092.474,89 from SMG Holding S.à r.l.;
- EUR 1.034.000,00 from SMG Hospitality SE; and
- EUR 773.525,11 from SMG SPAC Investment S.à r.l.

BigRep, the target company, was made aware of the Company’s liquidity situation and as a result of this the terms of the business combination agreement were amended accordingly in an agreement on 27 May 2024 and amendment to the business combination agreement that was signed on 28 May 2024.

There are no other events or conditions after the reporting year requiring disclosure in or adjustment to the consolidated financial statements.

**Audited Consolidated Financial Statements
as of and for the Year Ended December 31, 2023
(Prepared in Accordance with IFRS)
of BigRep GmbH, Berlin**

INDEPENDENT AUDITOR'S OPINION

To the BigRep GmbH, Berlin

Opinion

We have audited the consolidated financial statements of BigRep GmbH, Berlin, and its subsidiaries (the Group) which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, on the basis of the knowledge obtained in the audit the accompanying consolidated financial statements comply, in all material respects, with the International Financial Reporting Standards (IFRS) as adopted by the European Union and give a true and fair view of the consolidated assets, liabilities, financial position of the company as at 31 December 2023 and of its consolidated financial performance for the financial year then ended.

Pursuant to Section 322 (3) sentence 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with Section 317 GCC and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany / IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our auditor's report. We are independent of the company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter—Material uncertainty regarding the ability to continue as a going concern

We draw attention to Note 1.3 Material uncertainty to the consolidated financial statements, which describes a material uncertainty in connection with events or circumstances that individually or collectively may cast significant doubt on the Group's ability to continue as a going concern. Our audit opinion on the consolidated financial statements is not modified in this respect.

Responsibilities of the legal representatives for the consolidated financial statements

The legal representatives are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the IFRS, and that the consolidated financial statements give a true and fair view of the consolidated assets, liabilities, financial position and financial performance of the company. In addition, the legal representatives are responsible for such internal control as they, have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, unless the legal representatives either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an opinion on the consolidated financial statements based on our audit.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 GCC and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the legal representatives and the reasonableness of estimates made by the legal representatives and related disclosures.
- Conclude on the appropriateness of the legal representatives' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the consolidated assets, liabilities, financial position and financial performance of the Group in compliance with IFRS.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We are solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Offenbach am Main, 29 May 2024

HaackSchubert GmbH
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT

Benedikt Barkey
Wirtschaftsprüfer
(German Public Auditor)

Daniel Steinweger
Wirtschaftsprüfer
(German Public Auditor)

Consolidated statements of total comprehensive income

For the financial years ended December 31, 2023 and 2022

<i>in EUR thousand</i>	<u>Note</u>	<u>2023</u>	<u>2022</u>
Revenue from contracts with customers	6	11,229	9,062
Other income	7.1	568	2,407
Own work capitalized	9.1	2,050	1,746
Cost of materials	7.2	(5,683)	(4,475)
Personnel expenses	7.3	(7,690)	(6,894)
Other expenses	7.4	(5,460)	(3,954)
Earnings before interest taxation depreciation and amortization (EBITDA)*		<u>(4,986)</u>	<u>(2,108)</u>
Depreciation expenses	9.2, 9.3	(825)	(884)
Amortization expenses	9.1	(1,486)	(1,679)
Operating result (EBIT)*		<u>(7,297)</u>	<u>(4,671)</u>
Finance income	7.5	—	—
Finance costs	7.5	(207)	(161)
Financial result, net		<u>(207)</u>	<u>(161)</u>
Profit / Loss before tax (EBT)*		<u>(7,505)</u>	<u>(4,832)</u>
Income tax	7.6	(25)	(131)
Profit / Loss for the year		<u>(7,529)</u>	<u>(4,963)</u>
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Exchange differences from the translation of foreign operations		74	(301)
Other comprehensive income / loss for the year, net of tax		<u>74</u>	<u>(301)</u>
Total comprehensive income / loss for the year		<u>(7,455)</u>	<u>(5,264)</u>

* key indicators not defined in IFRS

Consolidated statements of financial position

For the financial years ended December 31, 2023 and 2022

in EUR thousand

<u>Assets</u>	<u>Note</u>	<u>31 December 2023</u>	<u>31 December 2022</u>
Non-current assets			
Intangible assets	9.1	3,529	2,965
Property, plant and equipment	9.2	903	600
Right-of-use assets	9.3	311	761
Non-current financial assets	8.2	150	151
Deferred tax assets	9.5	3	5
Total non-current assets		<u>4,896</u>	<u>4,482</u>
Current assets			
Inventories	9.4	4,039	2,297
Advance payments on inventories		19	83
Trade receivables	8.1	2,415	1,745
Current financial assets	8.2	5	7
Other current assets	9.9	331	177
Cash and cash equivalents	8.3	649	1,777
Total current assets		<u>7,458</u>	<u>6,086</u>
Total assets		<u>12,354</u>	<u>10,568</u>
Equity and liabilities			
<u>Equity</u>			
Equity	10		
Share capital		666	583
Share premium		60,383	53,665
Other reserves		(618)	(692)
Retained earnings		(57,299)	(49,770)
Total equity		<u>3,132</u>	<u>3,786</u>
Non-current liabilities			
Non-current financial liabilities	8.4	3,328	800
Non-current lease liabilities	9.3	16	358
Other non-current liabilities	9.10	10	—
Deferred tax liabilities	9.5	—	—
Total non-current liabilities		<u>3,354</u>	<u>1,158</u>
Current liabilities			
Current financial liabilities	8.4	1,691	2,011
Current lease liabilities	9.3	340	487
Short-term employee benefits	9.6	1,357	403
Current provisions	9.7	197	153
Contract liabilities	6.2	306	541
Trade payables	8.5	1,830	1,148
Other current liabilities	9.10	148	881
Total current liabilities		<u>5,869</u>	<u>5,624</u>
Total liabilities		<u>9,223</u>	<u>6,782</u>
Total equity and liabilities		<u>12,354</u>	<u>10,568</u>

Consolidated statements of changes in equity

For the financial years ended December 31, 2023 and 2022

<i>in EUR thousand</i>	Note	Share capital	Share premium	Translation reserve ⁽²⁾	Retained earnings	Total equity
Balance as of January 1, 2022	10	537	50,474	(391)	(44,806)	5,814
Profit / Loss for the year ⁽¹⁾		—	—	—	(4,963)	(4,963)
Other comprehensive income for the year ⁽¹⁾		—	—	(301)	—	(301)
Total comprehensive income		—	—	(301)	(4,963)	(5,264)
Capital increase	10	46	3,454	—	—	3,500
Cost of equity transaction	10	—	(263)	—	—	(263)
Balance as of December 31, 2022	10	583	53,665	(692)	(49,770)	3,786
Balance as of January 1, 2023		583	53,665	(692)	(49,770)	3,786
Profit / Loss for the year ⁽¹⁾		—	—	—	(7,529)	(7,529)
Other comprehensive income for the year ⁽¹⁾		—	—	74	—	74
Total comprehensive income		—	—	74	(7,529)	(7,455)
Capital increase	10	83	6,737	—	—	6,820
Cost of equity transaction	10	—	(19)	—	—	(19)
Balance as of December 31, 2023	10	666	60,383	(618)	(57,299)	3,132

(1) Attributable to the owners of BigRep GmbH only

(2) included in other reserves

Consolidated statements of cash flows

For the financial years ended December 31, 2023 and 2022

<i>in EUR thousand</i>	Note	2023	2022
Profit / Loss for the year		<u>(7,529)</u>	<u>(4,963)</u>
	9.1		
+/- Adjustments for depreciation and amortization	9.2	2,311	2,563
	9.3		
+/- Adjustments for provisions	9.7	44	(39)
-/+ Adjustments for increase/decrease in inventories, trade receivables and other assets that are not attributable to investing or financing activities		(2,582)	(898)
+/- Adjustments for increase/decrease in trade payables and other liabilities that are not attributable to investing or financing activities		1,640	225
	9.1		
-/+ Adjustments for gains/losses on disposals of non-current assets	9.2	(3)	19
+/- Adjustments for share-based payments	9.8	(715)	(293)
+/- Adjustments for finance income/cost	7.5	207	161
+/- Adjustments for income tax expense	7.6	25	131
-/+ Income taxes paid	7.6	—	—
Cash flow from operating activities		<u>(6,602)</u>	<u>(3,094)</u>
- Payments for intangible assets	9.1	(2,050)	(1,749)
+ Proceeds on disposals of property, plant and equipment	9.2	—	—
- Payments for property, plant and equipment	9.2	(685)	(288)
+ Interest received	7.5	—	—
Cash flow from investing activities		<u>(2,735)</u>	<u>(2,037)</u>
+ Proceeds from issue of share capital and share premium	10	726	3,501
- Cost of equity transaction	10	(26)	(377)
+ Proceeds from loans and borrowings	8.4	8,115	1,860
- Repayments of loans and borrowings	8.4	—	—
- Payments of lease liabilities	9.3	(481)	(419)
- Interest paid	7.5	(117)	(156)
Cash flow from financing activities		<u>8,217</u>	<u>4,409</u>
Net increase/(decrease) in cash and cash equivalents		(1,120)	(722)
Cash and cash equivalents at beginning of year		1,777	2,458
Effect of foreign exchange rate changes		(8)	41
Cash and bank balances at end of year		<u>649</u>	<u>1,777</u>

Notes to the consolidated financial statements

1 Basis of preparation

1.1 General information and description of the business

BigRep GmbH, hereinafter referred to as “BigRep”, “BigRep Group” or “Group”, is a producer of advanced 3D printing solutions. It is characterized by its holistic offerings for its customer’s requirements. It serves a wide range of industries e. g. industrial, business solution and consumer products, automotive, transportation, aerospace and logistics as well as government and education. BigRep’s portfolio addresses a broad range of applications with its innovation line as well as industrial line.

BigRep provides hardware for flexibility in producing big parts with high accuracy and low cost, software with easy-to-use applications and machine connectivity, all-inclusive support as well as an open material system for limitless materials.

BigRep is located in Germany, the USA, Singapore and China with own application centers. Additional to these four own locations the distribution channel extends around the globe, in over 40 countries via the reseller network. BigRep has over 50 active resellers, evenly distributed in America, EMEA and APAC.

The parent and ultimate parent company of the BigRep Group is BigRep GmbH. The registered office of the company is in Berlin, Germany. It is located in Gneisenaustraße 66, 10961 Berlin. BigRep GmbH is registered in Berlin’s Commercial Register B under the number HRB 155360.

1.2 Consolidated financial statements

The purpose of these consolidated financial statements is to provide historical financial information on BigRep for a potential SPAC merger in the European Union. The Group’s consolidated financial statements reflect BigRep GmbH, BigRep America Inc. and BigRep Private Ltd. (for further details please refer to Note 13—Group structure). These consolidated financial statements are voluntarily consolidated financial statements and not prepared under German local requirements as of §315e Par. III HGB.

BigRep has prepared these consolidated financial statements in accordance with International Financial Reporting Standards (“IFRS”) and the interpretations of the IFRS Interpretations Committee (“IFRS IC”) that had been adopted by the European Commission by the end of the reporting period December 31, 2023 for application in the EU.

The financial year corresponds to the calendar year. Within the consolidated statements of financial position, assets and liabilities are classified by maturity. They are assigned as current if they are due or expected to be realized within twelve months from the reporting date (see Note 2.4—Current vs. non-current classifications). The consolidated statements of total comprehensive income have been prepared using the total cost method.

The consolidated financial statements have been prepared and published in Euro. Unless stated otherwise, the numbers are rounded to thousands of euros. Rounding differences may occur in respect of individual amounts or percentages.

The consolidated financial statements were prepared and authorized on May 13, 2024 by the management of BigRep (*Geschäftsführung*).

1.3 Material uncertainty

The consolidated financial statements were prepared on a going concern basis. As a growth company, BigRep is dependent on the injection of additional funds until it breaks even. The current break-even is planned for the end of 2025 leading to a planned consolidated profit for the year 2026. Additional financing was secured by BigRep’s shareholders already during 2023 by providing EUR 4.1m convertible loans as well as EUR 4.0m shareholder loans. A conversion of the loans combined with a cash capital increase was carried out in the second half of 2023. That will secure BigRep’s financing well into 2024. In 2024, further shareholder loans with a total amount of EUR 4.3m were issued. BigRep also intends to carry out a capital market transaction in the form of a business combination with a listed European investor which is expected to lead to a major cash inflow in the near future. A significantly negative deviation from the plan or the failure to achieve the targeted inflows from the capital market transaction could lead to a need for additional financial resources in the forecast period. Should it not be possible to cover these additional financial requirements, this could lead to a material uncertainty according to IAS 1. Since the above-described measures are predominately probable the going concern principle is applied.

2 Significant accounting policies

2.1 Subsidiaries

Subsidiaries are companies controlled by BigRep. It controls a company when it is exposed to or has rights to variable returns from its involvement with the company and has the ability to affect those returns through its power over the company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Specifically, the Group controls another company if, and only if, the Group has:

1. power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
2. exposure, or rights, to variable returns from its involvement with the investee,
3. the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

1. The contractual arrangements with the other vote holders of the investee,
2. rights arising from other contractual arrangements,
3. the Group's voting rights and potential voting rights.

The Group assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

BigRep America Inc. and BigRep Private Ltd. are both 100% owned subsidiaries of BigRep GmbH and the Group has no non-controlling interests. All companies are accounted for in accordance with German GAAP (HGB) and are managed centrally in Berlin (see Note 1—Basis of preparation). IFRS adjustments are added for the preparation of these IFRS consolidated financial statements. The financial year corresponds to the calendar year for all Group companies.

2.2 Transactions eliminated on consolidation

Intercompany balances and transactions, and any income, expenses and cashflows as well as unrealized profits arising from intercompany transactions, are eliminated between the consolidated entities.

2.3 Foreign currency

The Group's consolidated financial statements are presented in euros, which is also the parent company's functional currency.

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates on the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate on the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate on the transaction date. Foreign currency differences were recognized in profit or loss and are shown separately under other income and other expenses (please refer to 7.1 Other income and 7.4 Other expenses for further information).

The most relevant exchange rates that were applied at the reporting dates are EUR / USD and EUR / SGD.

Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency Euro as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate on the respective balance sheet date,
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).

Foreign currency exchange differences are recognized in other comprehensive income (OCI) and accumulated in the translation reserve.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

(EUR / USD)

<u>Foreign currency translation rates</u>	<u>2023</u>	<u>2022</u>
Closing rate	0.91	0.93
Average exchange rates	0.92	0.94

(EUR / SGD)

<u>Foreign currency translation rates</u>	<u>2023</u>	<u>2022</u>
Closing rate	0.69	0.70
Average exchange rates	0.69	0.70

2.4 Current versus non-current classifications

BigReg presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.5 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by BigRep.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

BigRep uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair values are measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2—Inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in markets that are not active;
 - inputs other than quoted prices that are observable for the asset or liability, for example:
 - interest rates and yield curves observable at commonly quoted intervals
 - implied volatilities
 - credit spreads
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs').
- Level 3—unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, BigRep determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, BigRep has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

2.6 Revenue from contracts with customers

BigRep develops and sells advanced 3D printers as well as related products and services for the global market. The Group is characterized by its holistic solutions for any industry requirement. It produces a broad variety of designs for a wide range of industries, e. g. industrial, automotive, transportation, aerospace, logistics, government and education. A wide range of blue-chip companies count to the customers of BigRep. BigRep distributes its products and services both to resellers and directly to customers through its own webshop or through the procurement of customers by independent sales agents.

The Group mainly generates revenues from contracts with customers in two different revenue streams:

- Customer contracts
- Reseller contracts

The nature and timing of satisfaction of performance obligations and significant payment terms do not significantly vary between these revenue streams. Advance payments received are included in contract liabilities. Contract liabilities are recognized as revenue when the Group performs under the contract (i.e. transfers control of the related goods or services to the customer). The maximum usual payment term for purchase on account is 30 days after receipt of the goods or services and the invoice.

BigRep recognizes revenues from the sale of products, e.g printers or filaments, at a point in time, when it transfers the control of a product to a customer. This is either the case upon delivery to the carrier or upon delivery to the customer depending on the contractual terms. BigRep arranges the shipping service on its behalf for the customer using third party services. The company has concluded that it acts as the principal in its revenue arrangements as it controls the goods and services before transferring them to the customer.

The Group offers to its customers a service-type warranty extensions including maintenance services. These revenues are recognized over the service period as the customer consumes and receives the benefits from BigRep standing ready to perform the services when and if needed. Progress towards complete satisfaction of the performance obligation is measured using the output method. The output-based method recognizes revenue on the basis of the monthly services provided to the customer on a pro rata basis for the respective 12 or 24-month contracts.

Revenue is measured based on the consideration to which BigRep expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. If a contract with a customer contains more than one performance obligation, the transaction price is allocated to each performance obligation on a relative-stand-alone selling price basis. The stand-alone selling price is determined based on the list prices at which the Group sells its products and services in separate transactions.

If variable consideration has been agreed upon in the contract, BigRep determines the amount of that consideration to which it is entitled in exchange for the transfer of promised goods and services to a customer. The amount of consideration may vary due to discounts, rebates, refunds, price reductions, incentives and performance bonuses. The promised consideration may also vary if the right to the consideration is contingent on the occurrence or non-occurrence of a future event. BigRep includes variable consideration in the transaction price only to the extent that it is highly probable that significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

BigRep pays success-based sales commission to sales agents for the procurement of a transaction with a customer. These costs of obtaining a contract are expensed when incurred in accordance with IFRS 15.94.

2.7 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

<u>Intangible assets</u>	<u>Useful life (Years)</u>
Internally generated intangible asset	2–3
Concessions, licenses and similar rights	3–5

An internally generated intangible asset arising from development (this is essentially the case for software applications and product development) is recognized if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Directly attributable costs that are capitalized include employee costs and an appropriate portion of relevant overheads.

Where no internally generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred. Costs associated with maintaining software programs are recognized as well as an expense as incurred.

Amortization of the internally generated intangible asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. Amortization is recorded in “Amortization expenses” within the consolidated statements of total comprehensive income.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

2.8 Property, plant and equipment

Buildings, technical equipment and machinery as well as other equipment, operating and office equipment are stated at cost less accumulated depreciation and accumulated impairment depreciation of these assets commences when the assets are ready for their intended use. Construction in progress is stated at cost, net of accumulated impairment losses, if any. Such cost includes the cost for new equipment or of replacing part of the equipment if the recognition criteria are met. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is recognized so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

<u>Property, plant and equipment</u>	<u>Useful life (Years)</u>
Buildings and leasehold improvements	1–10
Technical equipment and machinery	3–16
Other equipment, operating and office equipment	3–13

An item of property, plant and equipment is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

2.9 Impairment of non-financial assets

At each reporting date, BigRep reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, BigRep estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognized for the asset in prior years.

2.10 Leases

At inception of a contract, BigRep assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In order to do so, BigRep examines whether:

- the contract involves the use of an identified asset—the latter may be specified explicitly or implicitly and should be physically distinct or substantially represent all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset cannot be identified;
- BigRep has the right to obtain substantially all of the economic benefits from using the asset throughout the period of use; and
- BigRep has the right to control the use of the asset. This is the case, when BigRep has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, BigRep can direct the use of the asset by either:
 - operating the asset; or
 - designing the asset in a way that predetermines its purpose and how it can be used

BigRep leases properties, vehicles as well as equipment. Lease contracts are typically made for fixed periods but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions.

At inception or on reassessment of a contract that contains a lease component, BigRep allocates the consideration in the contract to each lease component on the basis of their relative stand-alone price. Except for the asset class buildings, BigRep elects to combine lease and any associated non-lease components and account for them as one lease component.

BigRep recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of comparable property or equipment assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, BigRep's incremental borrowing rate. Generally, BigRep uses its incremental borrowing rate at the lease commencement date as the discount rate because the interest rate implicit in the lease is not readily determinable.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

- amounts expected to be payable by BigRep under residual value guarantees;
- the exercise price of a purchase option if BigRep is reasonably certain to exercise that option; and
- lease payments in an optional renewal period if BigRep is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless BigRep is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, and if BigRep changes its assessment of whether it will exercise an extension or termination option or when there is a modification of the lease.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

BigRep presents its right-of-use assets and lease liabilities as separate line-items in the statement of financial position.

Generally, depreciation is calculated on a straight-line basis over the remaining lease term, as follows:

<u>Right-of-use assets</u>	<u>Useful life (Years)</u>
Buildings	<u>3–5</u>
Vehicles	<u>3–4</u>

Extension and termination options

Extension and termination options are included in the property lease contracts of BigRep. These terms are used to maximize operational flexibility in terms of managing contracts.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. In the current reporting period, there were no adjustments to the contract terms in this regard.

Short-term leases and leases of low-value assets

BigRep has elected to apply the recognition exemption for short-term leases or lease contracts with an underlying asset of low value. Payments associated with short-term leases of vehicles and equipment and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets are leases of an initial value below EUR 5,000 and comprise IT equipment and small items of office and production equipment.

2.11 Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.12 Taxes

Current tax

The current tax payable is generally based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Due to historical tax loss carryforwards, no current taxes occur in the reporting periods.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which BigRep expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and BigRep intends to settle its current tax assets and liabilities on a net basis.

2.13 Financial instruments

Financial assets and financial liabilities are recognized in BigRep's statement of financial position when BigRep becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component, which are measured at its transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost (AC), fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and BigRep's business model for managing them. With the exception of trade receivables that do not contain a significant financing component BigRep initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 (see Note 2.6—Revenue from contracts with customers). Regular way purchases and sales of financial assets are recognized on trade date, being the date on which BigRep commits to purchase or sell the asset.

BigRep's financial assets mainly comprise trade receivables and cash and cash equivalents as well as other financial assets.

BigRep's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

BigRep measures financial assets at amortized cost if both of the following conditions are met:

The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Receivables are held to collect the contractual cash flows and are therefore measured at amortized cost.

Financial assets at FVTPL (debt instruments)

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in the income statement in the period in which it arises.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired; or
- BigRep has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) BigRep has transferred substantially all the risks and rewards of the asset, or (b) BigRep has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Impairment of financial assets

An allowance for expected credit losses (ECLs) should be recognized for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that BigRep expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures without a significant increase in credit risk since initial recognition, ECLs account for possible credit losses caused by default events within the next 12-months (a 12-month ECL). For credit exposures which have incurred a significant increase in credit risk since initial recognition, a loss allowance for credit losses covering the remaining exposure period is required, irrespective of the timing of the anticipated default (a lifetime ECL).

For trade receivables, BigRep applies a simplified approach in calculating ECLs. Therefore, BigRep does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting

date. BigRep has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Based on historic records of default events, default rates are determined for different terms to maturity and applied to the respective outstanding balances of receivables within each maturity band.

BigRep considers the probabilities of default at the time of initial recognition of the financial assets and the existence of a significant increase in credit risk during all reporting periods. In order to assess if there has been a significant increase in credit risk, BigRep compares the credit risk as of the balance sheet date with the credit risk on initial recognition. Forward-looking information is considered for this purpose, including internal and external credit ratings as well as actual or expected significant adverse changes of financial or economic circumstances that significantly change the customer's ability to fulfil the obligation. Based on historical data and the analyses carried out, the Group does not automatically assume an underlying significant increase in credit risk if the counterparty is more than 30 days past due to make a contractual payment.

BigRep considers a financial asset in default when internal or external information indicates that BigRep is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by BigRep. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

To measure the expected credit losses financial assets have been grouped based on shared credit risk characteristics and the days past due.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at fair value at initial recognition.

BigRep's financial liabilities mainly include bank liabilities, shareholder loans, trade payables and lease liabilities.

Subsequent measurement

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

BigRep has not designated any financial liability as at fair value through profit or loss.

After initial recognition financial liabilities that were not designated at fair value through profit or loss are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost, the most relevant to BigRep, is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Compound financial instruments

Compound financial instruments issued by the Group include convertible shareholder loans, which can be converted in equity shares at the holder's and the issuer's discretion. These conversion features represent embedded derivatives which are bifurcated and recognized separately as derivative financial liabilities (assets).

Conversion features that are derivative assets / liabilities are typically accounted for separately from the host instrument when the economic characteristics and risks of an embedded derivative are not regarded as closely related to the economic characteristics and risks of the host debt instrument.

On initial recognition, IFRS 9 requires entities to calculate the fair value of the embedded derivative first with the residual value being assigned to the host financial liability (IFRS 9.B4.3.3).

When there are multiple embedded derivatives in a convertible note, they are treated as a single compound embedded derivative unless they relate to different risks exposures and are independent of each other (IFRS 9.B4.3.4).

Financial liabilities are initially measured at fair value. In the case of financial instruments in the FLAC category, directly attributable transaction costs must also be taken into account. Directly attributable transaction costs are the directly attributable costs incurred in connection with the issue that would not have been incurred if the issue had not taken place.

An embedded option-based derivative (such as an embedded put, call, cap, floor or swaption) is separated from its host contract on the basis of the stated terms of the option feature. The initial carrying amount of the host instrument is the residual amount after separating the embedded derivative (IFRS 9.B4.3.3).

Directly attributable transaction costs are attributable to the book value of the debt components of the financial instrument at the time of initial recognition. In subsequent measurement, the debt component of the compound financial instrument is measured at amortized cost using the effective interest method.

The conversion feature of the compound financial instrument, which is classified as an embedded derivative, is subsequently measured at fair value through profit or loss.

Interest in connection with the financial liability is recognized in profit or loss. When converted at the due date, the financial liability is converted to equity without affecting profit or loss.

2.14 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprises cash on hand and cash at banks.

2.15 Short-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2.16 Provisions and contingent liabilities

A provision is recognized when a liability to third parties has been incurred, an outflow of resources is probable and the amount of the obligation can be reasonably estimated. The amount recognized as a provision represents the best estimate of the obligation at the reporting date. Provisions with an original maturity of more than one year are discounted to the present value of the expenditures expected to settle the obligation at the end of the reporting period. If the criteria of the regulations on recognition and measurement of provisions are not fulfilled and the possibility of a cash outflow upon settlement is not unlikely, the item is to be presented as a contingent liability, insofar as it is adequately measurable. The amount disclosed as a contingent liability represents the best estimate of the possible obligation at the reporting date. Provisions and contingent liabilities are regularly reviewed and adjusted as further information becomes available or circumstances change.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.17 Share-based payments

The fair value of the amount payable to employees in respect of stock appreciation rights (SAR) and virtual option plan, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SAR and Virtual Option Plan. Any changes in the liabilities are recognized in profit or loss.

2.18 Government grants

Grants that compensate the Group for expenses incurred are recognized in profit or loss as other income on a systematic basis in the periods in which the expenses are recognized, unless the conditions for receiving the grant are met after the related expenses have been recognized. In this case, the grant is recognized when it becomes receivable.

Government grants in 2023 were received in connection with expenses for digitization projects.

3 New and revised IFRS Standards

3.1 New and amended standards and interpretations

BigRep applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023.

Mandatory for fiscal years beginning on or after	New standards or amendments
	IFRS 17 Insurance Contracts; including Amendments to IFRS 17
	Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9—Comparative Information
	Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
January 1, 2023	Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies
	Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
	Amendments to IAS 12 Income taxes: International Tax Reform—Pillar Two Model Rules

The new standards had no impact on BigRep's consolidated financial statements.

3.2 Standards issued but not yet effective

At the date of authorization of these financial statements, BigRep has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

Effective date	New standards or amendments
	Amendments to IAS 1 Presentation of Financial Statements:
January 1, 2024	<ul style="list-style-type: none">Classification of Liabilities as Current or Non-current DateClassification of Liabilities as Current or Non-current—Deferral of Effective DateNon-current Liabilities with Covenants
	Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback
	Amendments to IAS 12 Income taxes: International Tax Reform—Pillar Two Model Rules

The following standards have been issued but not yet endorsed by the European Union:

IASB effective date	New standards or amendments
January 1, 2027	IFRS 18 Presentation and Disclosure in Financial Statements
January 1, 2025	Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability
January 1, 2024	Amendment to IAS 7 and IFRS 7: Supplier Finance Arrangements

As Management of BigRep does not expect that the adoption of the above listed Standards, with the exception of IFRS 18, will have a material impact on the financial statements of BigRep in future periods, no further explanations to these standards will be given.

IFRS 18 will have an impact on the presentation and disclosures in BigRep's consolidated financial statements. The effects and necessary adjustments are currently being analyzed.

4 Critical accounting judgements and key sources of estimation uncertainty

In applying BigRep's accounting policies, which are described in Note 2—Significant accounting policies, the management is required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. BigRep bases its assumptions and estimates on parameters available at each reporting date. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of BigRep. Such changes are reflected in the assumptions when they occur.

Useful lives of property, plant, and equipment, intangible and right-of-use assets (Notes 2.7, 2.8 and 2.10)

The expected useful lives for property, plant and equipment and intangible assets, and the associated amortization or depreciation expenses are determined on the basis of the expectations and assessments of management. If the actual useful life is less than the expected useful life, the amount of depreciation or amortization is adjusted accordingly. As part of the determination of impairment losses on fixed assets, estimates relating to the reason, timing and amount of the impairments are also made. Useful lives are reassessed on a regular basis.

Development costs (Note 9.1)

BigRep capitalizes costs for internally generated intangible assets arising from development (this is essentially the case for software applications and product development). Initial capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a software development project has reached a defined milestone according to an established project management model.

Furthermore, impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the BigRep is not yet committed to or significant future investments that will enhance the performance of the assets being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to intangibles recognized by BigRep.

Leases (Note 9.3)

Right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease (initial measurement).

Significant accounting assumptions are required for the determination of the appropriate incremental borrowing rate, which is to be used in the calculation of the asset and liability that are recognized in the financial statements regarding the lease contracts.

Furthermore, significant judgement is also required regarding the evaluation and appropriate treatment of the extension and / or termination options included in the lease contracts of BigRep.

Taxes (Note 9.5)

Deferred tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, tax loss carryforwards and tax credits can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning opportunities.

BigRep assesses the recoverability of deferred tax assets at each balance sheet date on the basis of planned taxable income in future fiscal years; if it is assumed that future tax benefits cannot be utilized, a valuation allowance is made on the deferred tax assets.

Provisions (Note 9.7)

Provisions are recognized for various circumstances as part of ordinary operating activities. The amount of the anticipated cash outflows is determined on the basis of assumptions and estimates for each specific circumstance. These assumptions may be subject to changes, which lead to a deviation in future periods.

Share-based payments (Note 9.8)

The company has implemented a SAR and Virtual Option Plan aimed at achieving the alignment of interests between investors and key management personnel. Note 9.8—Share-based payments contains information about the estimated valuation parameters used in the valuation model to determine the resulting expenses.

5 Segment information

5.1 Basis for segmentation

BigRep offers holistic solutions in the field of 3D printing. With its two 100% subsidiaries in the United States and Singapore, BigRep's distribution channel extends around the global market. The Group offers various 3D printers, materials and spare parts, printing services as well as transportation & other services to its customers. According to IFRS 8, a business segment is a part of the company that generates revenues and in which expenses can be incurred. It is also a prerequisite that the operating results are regularly reviewed by the responsible corporate body with regard to decisions on the allocation of resources to this segment and the assessment of its earning power. In addition, separate financial information and regular segment management must be available.

The main decisions regarding business activities are made by management. The Chief Operating Decision Maker (CODM) are the company's Managing Directors Reinhard Festag and Sven Thate. The Management of BigRep reviews the internal management report at least on a monthly basis.

The basis for the assessment of the company results and the allocation of resources are group-wide indicators and not indicators for separate areas, product groups, services or customer groups. Thus, the company is internally steered and controlled by the means of its most important key performance indicator (KPI), revenue. Separate financial information as required by IFRS 8 is not available for each above-mentioned product category. Apart from sales revenues and cost of goods sold as well as fixed and variable costs are not shown separately for each category or geographical market, and gross margin and EBITDA are only determined at group level.

Therefore, BigRep can be characterized as a one-segment company.

5.2 Segment information

In accordance with IFRS 8 information on profit and loss, assets and liabilities as well as the items in the income statement (in particular sales, interest income and expenses, depreciation, taxes, etc.) must be disclosed for each identified segment. Against the background of the classification of BigRep as a one-segment company, this presentation is redundant for segment-specific information since the corresponding information is already shown in the balance sheet and income statement. It can therefore be referred to the consolidated statements of financial position as well as the consolidated statements of total comprehensive income.

Revenue by geographical areas

BigRep is located in Germany, the USA and Singapore. With these three locations, the distribution channel of the Group extends around the global market, offering its products and services in over 40 countries.

BigRep GmbH (Germany) is responsible for distribution and shipment for the region Europe, Middle East, Africa (“EMEA”) as well as APAC. BigRep Inc. (USA) is the responsible entity for distribution and shipment for the region North America (“NA”). BigRep Private Ltd. (Singapore) serves as a sales office for the German entity for the region Asia-Pacific (“APAC”).

Therefore the allocation of revenues to geographical areas is based on the country of domicile of the respective entities within the Group. External revenues of BigRep are attributable to the following countries:

<i>in EUR thousand</i>	<u>2023</u>	<u>2022</u>
Germany	6,023	4,519
USA	5,206	4,543
Singapore ⁽¹⁾	0	0
Total	<u>11,229</u>	<u>9,062</u>

(1) Due to the nature as Sales Office the external revenue is booked in the BigRep GmbH (Germany).

For further disclosures of Group’s revenues from its main product lines please see Note 6.1—Disaggregated revenue information.

Non-current assets by geographical areas

The total of non-current assets other than financial instruments and deferred tax assets, broken down by location of the assets, is shown in the following table:

<i>in EUR thousand</i>	<u>31 December 2023</u>	<u>31 December 2022</u>
Germany	4,480	4,054
USA	206	196
Singapore	57	76
Total	<u>4,743</u>	<u>4,326</u>

Information about major customers

In the financial years presented, the Group did not generate revenues with a single customer that exceeded ten percent of the overall revenues in the respective period.

6 Revenue from contracts with customers

6.1 Disaggregated revenue information

BigRep views its products and services offered to be appropriate categories in disclosing the disaggregated revenues. The following table provides information about the disaggregated revenue by product or service:

<i>in EUR thousand</i>	<u>2023</u>	<u>2022</u>
Printers	6,762	5,927
Materials and spare parts	3,483	2,617
Printing services	476	296
Transportation & other services	508	222
Total	<u>11,229</u>	<u>9,062</u>

For further disclosures of Group’s revenues by geographical areas please refer to Note 5.2—Segment information.

6.2 Contract balances

The following table provides information about contract assets and contract liabilities from contracts with customers.

<i>in EUR thousand</i>	<u>31 December 2023</u>	<u>31 December 2022</u>
Contract assets	—	—
Contract liabilities	<u>306</u>	<u>541</u>
Total	<u>(306)</u>	<u>(541)</u>

Contract liabilities primarily relate to advance payments received from customers for the 3D printers as well as for warranty extensions and maintenance services for which revenue is recognized over the service period.

The amount of EUR 541 thousand included in contract liabilities at 31 December 2022 has been recognized as revenue in 2023 (2022: EUR 404 thousand). BigRep expects to recognize the contract liabilities of EUR 306 thousand as of 31 December 2023 as revenue in the financial year 2024.

6.3 Performance obligations

For the accounting policy regarding performance obligations and revenue recognition policies see Note 2.6—Revenue from contracts with customers.

7 Income and expenses

7.1 Other income

<i>in EUR thousand</i>	<u>2023</u>	<u>2022</u>
Income from foreign currency translation	319	587
Other sundry income	241	403
Income from reduction of liabilities	5	206
Government grants	<u>3</u>	<u>1,211</u>
Total other income	<u>568</u>	<u>2,407</u>

Government grants in 2023 were received in connection with expenses for digitization projects. In 2022 the government grants were received in connection with COVID-19 government grants.

7.2 Cost of materials

<i>in EUR thousand</i>	<u>2023</u>	<u>2022</u>
Cost of purchased goods	5,636	4,356
Cost for purchased services	34	18
Cost for raw materials, consumables and supplies	<u>13</u>	<u>101</u>
Total	<u>5,683</u>	<u>4,475</u>

7.3 Personnel expenses

<i>in EUR thousand</i>	<u>2023</u>	<u>2022</u>
Wages and salaries	6,481	5,828
Social security contributions	769	644
Defined contribution plan	<u>440</u>	<u>422</u>
Total	<u>7,690</u>	<u>6,894</u>

Defined contribution plan mainly comprises employer contributions to the German pension insurance.

7.4 Other expenses

<i>in EUR thousand</i>	<u>2023</u>	<u>2022</u>
Legal and consulting fees	1,364	488
Freight and handling expenses	929	889
Third-party service expenses	720	426
Advertising expenses	530	477
Currency exchange expenses	424	245
Traveling expenses	273	191
Rent and room expenses	230	304
Software license expenses	145	211
Insurance expenses	65	69
Other sundry expenses	780	654
Total other operating expenses	<u>5,460</u>	<u>3,954</u>

7.5 Finance income and finance costs

<i>in EUR thousand</i>	<u>2023</u>	<u>2022</u>
Finance income		
Other interest and similar income	—	—
Total finance income	<u>—</u>	<u>—</u>

<i>in EUR thousand</i>	<u>2023</u>	<u>2022</u>
Finance costs		
Interest expenses from loans	64	64
Interest expenses from shareholder loan	90	3
Interest expenses from lease liabilities	53	93
Other interest and similar expenses	—	1
Total finance costs	<u>207</u>	<u>161</u>
Finance result	<u>(207)</u>	<u>(161)</u>

7.6 Income tax

The major components of income tax expense for the years ended December 31, 2023 and 2022 are:

<i>in EUR thousand</i>	<u>2023</u>	<u>2022</u>
Current income tax		
Current income tax charge	(15)	(1)
Total current tax expense	<u>(15)</u>	<u>(1)</u>
Deferred Taxes		
Origination and reversal of temporary differences	(428)	(151)
Recognition of previously unrecognized tax losses	418	21
Total deferred taxes	<u>(10)</u>	<u>(130)</u>
Income tax expense reported in the statement of profit and loss	<u>(25)</u>	<u>(131)</u>

Reconciliation of tax expense and the accounting profit multiplied by BigRep's tax rate for 2023 and 2022:

<i>in EUR thousand</i>	<u>2023</u>	<u>2022</u>
Profit / Loss before tax	(7,505)	(4,832)
At BigRep statutory tax rate of 30.18%	2,265	1,458
Effect of different tax rates	59	(2)
<i>Tax effect of</i>		
–Non-deductible differences/tax free income	(11)	(6)
–Current-year losses for which no deferred tax asset is recognized	(2,269)	(1,478)
–Other effects	(69)	(103)
Income taxes	<u>(25)</u>	<u>(131)</u>

The rate of assessment for the trade tax of the city of Berlin amounts to 410% on the tax base of 3.5%. This resulted in a trade tax rate of 14.35% and a total income tax rate of 30.18% (2022: 30.18%) for BigRep GmbH, including corporation tax of 15% and a solidarity surcharge of 5.5% onto corporation tax.

Further explanations on deferred taxes are included in Note 9.5—Deferred tax.

8 Financial assets and liabilities

This Note provides information about BigRep's financial instruments, including:

- an overview of all financial instruments held by BigRep
- specific information about each type of financial instrument

Financial assets at amortized cost

<i>in EUR thousand</i>	<u>31 December 2023</u>	<u>31 December 2022</u>
Trade receivables	2,415	1,745
Cash and cash equivalents	649	1,777
Deposits	151	151
Other financial assets	4	7
Total	<u>3,219</u>	<u>3,680</u>
Total current	3,070	3,529
Total non-current	<u>151</u>	<u>151</u>

<i>in EUR thousand</i>	<u>31 December 2023</u>	<u>31 December 2022</u>
Derivate financial assets	—	—

Financial liabilities at amortized cost

<i>in EUR thousand</i>	<u>31 December 2023</u>	<u>31 December 2022</u>
Trade payables	1,830	1,148
Lease liabilities	356	845
Loans and borrowings	800	800
Liabilities towards shareholders	4,050	1,816
Other financial liabilities	169	148
Total	<u>7,205</u>	<u>4,757</u>
Total current	3,861	3,599
Total non-current	<u>3,344</u>	<u>1,158</u>

<i>in EUR thousand</i>	<u>31 December 2023</u>	<u>31 December 2022</u>
Derivate financial liabilities	—	47

BigRep's exposure to various risks associated with the financial instruments is discussed in Note 11—Financial risk management and financial instruments. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

For further information regarding leases and lease liabilities see note 9.3 Leases.

8.1 Trade receivables

<i>In EUR thousand</i>	<u>31 December 2023</u>	<u>31 December 2022</u>
Trade receivables	2,488	1,819
Impairment	(73)	(74)
Total	<u>2,415</u>	<u>1,745</u>

Trade receivables are non-interest bearing and are generally short-term. For more detailed information regarding measurement of trade receivable refer to Note 11—Financial risk management and financial instruments.

8.2 Deposits and other financial assets

<u>in EUR thousand</u>	<u>31 December 2023</u>	<u>31 December 2022</u>
Receivables from related parties	—	—
Receivables from shareholders	—	—
Deposits	151	151
Other financial assets	<u>4</u>	<u>7</u>
Total	<u>155</u>	<u>158</u>
Total current	5	7
Total non-current	<u>151</u>	<u>151</u>

Other non-current financial assets mainly comprise deposits to third parties.

8.3 Cash and cash equivalents

<u>in EUR thousand</u>	<u>31 December 2023</u>	<u>31 December 2022</u>
Cash equivalents	<u>649</u>	<u>1,777</u>
Total	<u>649</u>	<u>1,777</u>

BigRep did not recognize any credit impairment losses on cash as the credit risk on cash measured at amortized cost is insignificant due to main counterparties exclusively operating under European financial regulation.

8.4 Liabilities to banks, shareholders and other financial liabilities

<u>in EUR thousand</u>	<u>31 December 2023</u>	<u>31 December 2022</u>
Liabilities to banks	800	800
Liabilities to shareholders	4,050	1,816
Other financial liabilities	<u>169</u>	<u>195</u>
Total	<u>5,019</u>	<u>2,811</u>
Total current	1,691	2,011
Total non-current	<u>3,328</u>	<u>800</u>

The financial liabilities comprise a loan agreement from IBB with an interest rate of 8.0%, as well as shareholder loans with fixed interest rates of 3.0%, 5.0% and 8.0%.

8.5 Trade payables

<u>in EUR thousand</u>	<u>31 December 2023</u>	<u>31 December 2022</u>
Trade Payables	<u>1,830</u>	<u>1,148</u>
Total	<u>1,830</u>	<u>1,148</u>

Trade payables are non-interest bearing and are due within one year.

For explanations on BigRep’s liquidity risk management processes, refer to Note 11.4—Liquidity risk. For this reason, the calculation of the expected credit loss is limited to the 12-month credit loss. Financial assets are considered by management to have a low credit risk if the risk of non-performance is low, and the counterparty is at any time able to meet its contractual obligations at short notice. No significant impairment losses could be inferred for these line items based on the impairment provisions of the expected credit loss model for the reporting dates presented in these annual financial statements.

9 Non-financial assets and liabilities

9.1 Intangible assets

Reconciliation of carrying amount

<i>in EUR thousand</i>	Internally generated intangible asset	Concessions, licenses and similar rights	Total
Acquisition costs			
As of January 1, 2022	6,756	627	7,383
Additions			
Internally developed	1,746	—	1,746
Purchases	—	3	3
As of December 31, 2022	<u>8,502</u>	<u>630</u>	<u>9,131</u>
As of January 1, 2023	8,502	630	9,131
Additions			
Internally developed	2,050	—	2,050
Purchases	—	—	—
As of December 31, 2023	<u>10,552</u>	<u>629</u>	<u>11,181</u>
Accumulated amortization and impairment losses			
As of January 1, 2022	4,006	482	4,488
Amortization	1,615	63	1,678
As of December 31, 2022	<u>5,621</u>	<u>545</u>	<u>6,167</u>
As of January 1, 2023	5,621	545	6,167
Amortization	1,446	40	1,486
As of December 31, 2023	<u>7,067</u>	<u>586</u>	<u>7,653</u>
Carrying Amount			
As of December 31, 2022	<u>2,881</u>	<u>83</u>	<u>2,964</u>
As of December 31, 2023	<u>3,485</u>	<u>43</u>	<u>3,528</u>

Research and development

BigRep's research and development costs consist primarily of employee salaries and employee-related personnel costs. Expenditures for research and development that does not fulfill the requirements for capitalization are expensed as incurred with the amount of EUR 713 thousand for reporting year 2023 (2022: EUR 806 thousand).

9.2 Property, plant and equipment

Reconciliation of carrying amount

<i>in EUR thousand</i>	Land and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Total
Cost				
As of January 1, 2022	138	1,777	721	2,636
Additions	13	168	108	288
Disposals	—	(167)	(35)	(202)
Effect of movements in exchange rates	—	15	2	17
As of December 31, 2022	151	1,792	796	2,739
As of January 1, 2023	151	1,792	796	2,739
Additions	—	611	74	685
Disposals	—	—	(1)	(1)
Effect of movements in exchange rates	—	(10)	(2)	(12)
As of December 31, 2023	151	2,394	867	3,411

<i>in EUR thousand</i>	Land and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Total
Cumulative depreciation and impairment losses				
As of January 1, 2022	84	1,238	549	1,871
Depreciation	17	319	110	446
Disposals	—	(150)	(34)	(183)
Effect of movements in exchange rates	—	4	1	5
As of December 31, 2022	101	1,411	627	2,139
As of January 1, 2023	101	1,411	627	2,139
Depreciation	21	279	80	379
Disposals	—	—	(1)	(1)
Effect of movements in exchange rates	—	(7)	(1)	(8)
As of December 31, 2023	121	1,683	704	2,509

<i>in EUR thousand</i>	Land and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Total
Carrying amount				
As of December 31, 2022	50	381	168	600
As of December 31, 2023	30	711	162	903

9.3 Leases

9.3.1 Amounts recognized on the statement of financial position

Right-of-use assets

<i>in EUR thousand</i>	31 December 2023	31 December 2022
Real estate	286	717
Vehicles and equipment	25	44
Total	311	761

Additions and disposals to right-of-use assets

<i>in EUR thousand</i>	<u>2023</u>	<u>2022</u>
Additions	—	38
Disposals	—	—

Lease liability

<i>in EUR thousand</i>	<u>31 December 2023</u>	<u>31 December 2022</u>
Current	340	487
Non-current	16	358
Total	<u>356</u>	<u>845</u>

9.3.2 Amounts recognized in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

Depreciation charge of right-of-use assets

<i>in EUR thousand</i>	<u>2023</u>	<u>2022</u>
Real estate	427	427
Vehicles and equipment	19	11
Total depreciation charge	<u>446</u>	<u>438</u>
Interest on lease liabilities	53	93
Expense relating to short-term leases	5	9
Expense relating to leases of low-value assets that are not shown above as short-term leases	—	2
Total amounts recognized in profit or loss	<u>504</u>	<u>542</u>

Cash outflow for leases

<i>in EUR thousand</i>	<u>2023</u>	<u>2022</u>
Cash outflow for leases	534	512
Cash outflow for short-term leases	5	9
Cash outflow for low-value assets	—	2
Total	<u>539</u>	<u>523</u>

The maturity analysis of future cash flows is disclosed in Note 11.4—Liquidity risk.

9.4 Inventories

The reported inventories are comprised as follows:

<i>in EUR thousand</i>	<u>31 December 2023</u>	<u>31 December 2022</u>
Finished goods and merchandise	4,039	2,297
Total inventories	<u>4,039</u>	<u>2,297</u>

Inventories recognized as an expense during the year ended December 31, 2023 amounted to EUR 5,603 thousand (2022: EUR 4,475 thousand).

Allowance for inventories recognized as an expense during the year ended December 31, 2023 amounted to EUR 30 thousand. These were included in cost of materials. There are no allowances for inventories for the year ended December 31, 2022.

9.5 Deferred tax

Movement in deferred taxes balances relate to the following:

<i>in EUR thousand</i>	As of December 31, 2023					
	Net balance at 1 January	Recognized in profit or loss	Recognized directly in equity	Net balance at 31 December	Deferred tax assets	Deferred tax liabilities
Intangible assets	(869)	(182)		(1,051)	—	(1,051)
Property, plant and equipment	—	—		—	—	—
Right-of-use assets	(209)	124		(85)	—	(85)
Inventories	—	—		—	—	—
Trade receivables	—	—		—	—	—
Tax losses carried forward	617	418	8	1,043	1,043	—
Trade payables	—	—		—	—	—
Lease liabilities	231	(135)		96	96	—
Stock appreciation rights	236	(236)		—	—	—
Provisions	—	—		—	—	—
Other financial liabilities	(1)	1		—	—	—
Other liabilities	—	—		—	—	—
Tax assets (liabilities) before set off	5	(10)	8	3	1,139	(1,136)
Set-off of tax	—	—	—	—	(1,136)	1,136
Net deferred taxes	—	—	—	—	3	—

<i>in EUR thousand</i>	As of December 31, 2022					
	Net balance at 1 January	Recognized in profit or loss	Recognized directly in equity	Net balance at 31 December	Deferred tax assets	Deferred tax liabilities
Intangible assets	(860)	(9)		(869)	—	(869)
Property, plant and equipment	(4)	4		—	—	—
Right-of-use assets	(315)	106		(209)	—	(209)
Inventories	30	(30)		—	—	—
Trade receivables	7	(7)		—	—	—
Tax losses carried forward	482	21	114	617	617	—
Trade payables	(1)	1		—	—	—
Lease liabilities	332	(101)		231	231	—
Stock appreciation rights	324	(88)		236	236	—
Provisions	3	(3)		—	—	—
Other financial liabilities	7	(8)		(1)	14	(15)
Other liabilities	16	(16)		—	—	—
Tax assets (liabilities) before set off	21	(130)	114	5	1,098	(1,093)
Set-off of tax	—	—	—	—	(1,093)	1,093
Net deferred taxes	—	—	—	—	5	—

The amount of change of deferred tax assets from the tax losses carried forward presented in the column recognized directly in equity refers to the transaction costs for the issue of new equity which were recognized directly within capital reserves. For further details refer to Note 10—Equity.

Tax losses carried forward

The following tax losses which have no expiry date are available at reporting date:

<i>in EUR thousand</i>	31 December 2023	31 December 2022
Corporate income tax	60,465	51,091
Municipal trade tax	60,646	50,909
Tax losses carried forward	121,111	102,000

As of December 31, 2023, tax losses carried forward for which deferred tax assets were recognized amount to EUR 3,455 thousand (31.12.2022: EUR 2,044 thousand).

As of December 31, 2023, tax losses carried forward for which no deferred tax assets were recognized amount to EUR 117,656 thousand (31.12.2022: EUR 99,956 thousand).

9.6 Employee benefit obligations

<i>in EUR thousand</i>	<u>31 December 2023</u>	<u>31 December 2022</u>
Accrued vacations	200	151
Other employee benefits	<u>1,157</u>	<u>252</u>
Total	<u>1,357</u>	<u>403</u>
current	1,357	403
non-current	<u>—</u>	<u>—</u>

9.7 Provisions

<i>in EUR thousand</i>	<u>Provision for warranties</u>	<u>Other provisions</u>	<u>Total</u>
<i>As of January 1, 2022</i>	180	12	192
Arising during the year	141	12	153
Utilized	<u>(180)</u>	<u>(12)</u>	<u>(192)</u>
As of December 31, 2022	<u>141</u>	<u>12</u>	<u>153</u>
Current	<u>141</u>	<u>12</u>	<u>153</u>
Non-current	<u>—</u>	<u>—</u>	<u>—</u>

<i>in EUR thousand</i>	<u>Provision for warranties</u>	<u>Other provisions</u>	<u>Total</u>
<i>As of January 1, 2023</i>	141	12	153
Arising during the year	185	12	197
Utilized	<u>(141)</u>	<u>(12)</u>	<u>(153)</u>
As of December 31, 2023	<u>185</u>	<u>12</u>	<u>197</u>
Current	<u>185</u>	<u>12</u>	<u>197</u>
Non-current	<u>—</u>	<u>—</u>	<u>—</u>

The Group expects to settle most of the provision in the upcoming financial year. There are no significant uncertainties regarding the amount or timing of settlement of the provisions.

Provision for warranties

Warranty provisions are formed based on the guaranteed turnover. The provisions were determined on the basis of historical experience and are regularly reviewed and updated.

9.8 Share-based payments

9.8.1 Description of share-based payment arrangements for share option programs (cash-settled)

Until December 31, 2023, the Group had the following share-based payment arrangements:

On 14 April 2015 and 05 October 2017, the Group granted for the first time a SAR and a Virtual Option Plan that entitle key management personnel and further employees to a cash payment related to the value of the equity instruments only in case of an exit event. These programs are not limited to key management personnel. The programs essentially comprise members of key management personnel, but also entitle other Group employees who are selected to participate.

The key terms and conditions related to the grants under these programs are as follows; all options are to be cash settled. The exercise price for all options granted under the two plans is EUR 0.

<u>Grant date/employees entitled</u>	<u>Number of instruments in thousands</u>	<u>Vesting conditions</u>	<u>Contractual life of options</u>
On 12 May 2015	1.5	A two-year service period. Payment only in case of an exit event.	infinite
On 11 September 2015	1.9		
On 14 January 2016	0.2		
On 08 March 2016	0.1		
On 06 October 2016	0.6		
On 18 May 2017	2.1		
On 05 July 2017	1.7		
On 15 August 2017	4.5		
On 06 December 2017	0.5		
On 01 March 2018	0.8		
On 14 April 2018	0.3		
On 15 October 2018	2.3		
On 01 January 2019	1.9		
On 04 June 2019	1.7		
On 31 July 2019	4.0		
On 01 October 2019	1.5	A four-year service period. Payment only in case of an exit event.	Ten years
On 01 January 2020	1.3		
On 01 September 2020	24.0		
On 31 March 2021	0.3		
On 01 April 2021	0.8		
On 01 July 2021	7.8		
On 01 September 2021	9.0		
On 01 October 2021	1.0		
On 01 January 2022	1.8		
On 31 March 2022	2.2		
On 18 July 2022	3.2		
On 31 March 2023	2,3		
On 01 April 2023	4,4		
On 01 August 2023	4,6		
Total share options	<u>88.3</u>		

9.8.2 Measurement of fair values for share option programs (cash-settled)

The fair value of the stock options is determined using a Monte Carlo model. The inputs used in the measurement of the fair values at grant date of the cash-settled share based payment plans were as follows:

	<u>Share option programs</u>	
	<u>2023</u>	<u>2022</u>
Fair value at reporting date (in EUR thousand)	—	782
Weighted average of the fair values of options granted in the reporting period (in EUR)	—	12.86
Exercise price (in EUR)	—	—
Expected volatility (weighted average)	—	56.6%
Expected life (weighted average in years)	—	1.0
Expected dividends (in EUR)	—	—
Risk-free interest rate (based on government bonds)	—	2.56%

Expected volatility has been based on an evaluation of the historical volatility of the Company's peer group, particularly over the historical period commensurate with the expected term.

Developments of SAR and Virtual Option Plan are shown below:

	<u>2023</u>	<u>2022</u>
	<u>Number of options in thousands</u>	<u>Number of options in thousands</u>
Outstanding at 1 January	77.0	69.8
Forfeited during the year	—	1.9
Exercised during the year	—	—
Granted during the year	<u>11.4</u>	<u>9.1</u>
Outstanding at 31 December	<u>88.3</u>	<u>77.0</u>
Exercisable at 31 December	<u>—</u>	<u>—</u>

The program was replaced in 2023 due to the Business Combination Agreements relating to BigRep GmbH and SMG Technology Acceleration SE (please refer also to note 16 Subsequent Events).

At December 31, 2023, the fair value is the amount required to settle the obligation in Q2 2024 due to the business combination (please also refer to note 16 Subsequent events). The SAR arrangements result in a payment obligation by BigRep to the participants of the SAR in the amount of EUR 67 thousand as at December 31, 2023. The liability is presented as other current liability.

For the Virtual Option Plan it amounts to EUR 1,779 thousand. However, the total amount is netted, as the shares to fulfill this obligation have to be provided by the shareholders of BigRep. As BigRep has the contractual right to set off the recognized amounts and intends to settle the resulting financial liability and financial asset on a net basis, this liability was fully offset with the corresponding asset resulting in no remaining liability from the Virtual Option Plan.

In addition, BigRep pays participating employees a bonus of EUR 897 thousand to compensate for future individual tax burdens. This liability is presented as employee benefit obligation (please refer to note 9.6 Employee benefit obligations).

The total amount of EUR 182 thousand was recognized as personnel expenses for share-based payments in 2023. In 2022, an amount of EUR 293 thousand was recognized in other income from the decline in fair value.

9.9 Other assets

Other assets are composed as follows:

<i>in EUR thousand</i>	<u>31 December 2023</u>	<u>31 December 2022</u>
Other tax assets	180	81
Other assets	<u>150</u>	<u>96</u>
Total	<u>331</u>	<u>177</u>
current	331	177
non-current	<u>—</u>	<u>—</u>

9.10 Other liabilities

Other liabilities are composed as follows:

<i>in EUR thousand</i>	<u>31 December 2023</u>	<u>31 December 2022</u>
Other tax liabilities	<u>76</u>	<u>71</u>
Share-based payment liabilities	67	782
Other liabilities	<u>15</u>	<u>28</u>
Total	<u>158</u>	<u>881</u>
current	149	881
non-current	<u>10</u>	<u>0</u>

In 2023, BigRep received a government grant of EUR 17 thousand in conjunction with expenses for digitization projects. The amount will be recognized as other operating income in profit or loss over a period of

five years. As of December 31, 2023, a total amount of EUR 14 thousand was accrued within other liabilities, of which EUR 10 thousand is disclosed as other non-current liabilities.

10 Equity

The changes in equity of BigRep are shown in the consolidated statement of changes in equity for the financial years 2023 and 2022.

Share capital

As of December 31, 2023, the share capital of BigRep amounts to EUR 666 thousand and as of December 31, 2022 EUR 583 thousand.

Share capital increased in 2023 by EUR 83 thousand through the conversion of shareholder loans into equity combined with financing rounds. Within 2022 two further capital increases occurred, which increased share capital by EUR 46 thousand.

Share premium

The share premium consists of the equity components exceeding the nominal value of the shares issued as well as additional payments in equity.

As of December 31, 2023, the share premium of BigRep amounts to EUR 60,383 thousand and as of December 31, 2022 EUR 53,665 thousand.

Share premium in 2023 increased by EUR 6,737 thousand through the conversion of shareholder loans into equity combined with financing rounds. Within 2022 two capital increases occurred, which increased share capital by EUR 3,454 thousand.

In connection with capital increases, the company incurred costs for the issue of new shares. These costs include, among others, legal consulting fees and bank charges. These costs were deducted from equity (capital reserve) on a net of tax basis.

An amount of EUR 26 thousand and a tax effect of EUR 8 thousand was deducted from the capital reserve as of December 31, 2023. As of December 31, 2022, costs in connection with capital increases in the amount of EUR 377 thousand with a tax effect of EUR 114 thousand was deducted from share premium.

Other reserves

The other reserves comprise all foreign currency differences arising from the translation of the financial statements of foreign operations. For further details, refer to Note 2.3—Foreign currency.

Retained earnings

The retained earnings comprise the effects of the transition to IFRS as well as profit and losses attributable to shareholders, both current and accumulated.

11 Financial risk management and financial instruments

11.1 Capital management

The main capital management objectives of BigRep are to maintain and ensure a favorable capital structure for the continued financing of its growth plan and for the long-term management of its equity value. Capital management focuses on the reduction of cost of capital, the generation of cash and the active management of net working capital.

Management of BigRep reviews the total amount of cash regularly, typically on a daily basis. As part of this review, the management considers the total cash, the cash outflow and refinancing activities.

BigRep manages its capital structure on the basis of the key figures liabilities and the equity ratio (in %). An equity ratio greater than 40% is targeted. If necessary, BigRep makes adjustments to reflect changes in the

economic situation. The objectives of BigRep’s capital management were achieved in the reporting year. The equity ratio of the Group developed as follows:

<i>In EUR thousand</i>	<u>31 December 2023</u>	<u>31 December 2022</u>
Total equity	3,132	3,786
Total assets	<u>12,354</u>	<u>10,568</u>
Equity ratio	<u>25%</u>	<u>36%</u>

The Group is mainly financed by additional payments by shareholders via capital increases or convertible shareholder loans and a loan from a credit institution.

The main risks arising from BigRep’s business activities are liquidity risk and credit risk. No concentration risk could be identified. Interest risk is deemed to be insignificant for BigRep since BigRep is not exposed to variable interest rates.

The Management reviews and agrees policies for managing these risks as summarized below.

11.2 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. The market risk can be divided into three types of risk: interest risk, currency risk and other price risk. Other price risks are not considered as risks for BigRep.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. BigRep has foreign operations mainly in the USA and is exposed to fluctuations in foreign exchange rates of the US Dollar. In this regard, there is a potential currency risk on December 31, 2023, however, the management does not consider this currency risk as significant, due to the fact that management can essentially counteract these potential risks through future price mechanisms.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

BigRep uses debt financing through a bank loan with contractually fixed interest rate to finance its assets as well as convertible shareholder loans with fixed interest. Thus, there are no interest rate risks associated with these cash flows.

11.3 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk comprises both the direct risk of default as well as the risk of decrease of creditworthiness. The concentration risk is avoided by a diversified customer base.

BigRep has the following types of financial assets, which are subject to credit risk:

1. Trade receivables
2. Other financial assets
3. Cash

The maximum credit risk in the event of counterparty default is limited to the respective carrying amounts of these financial instruments.

The Group regards a financial asset as defaulted if it is unlikely that the debtor will be able to pay its credit obligation in full to the entity without resorting to measures such as liquidation of collateral (if any is available).

BigRep assesses at each reporting date whether financial assets at amortized cost are credit-impaired. A financial asset is impaired if one or more events occur that have an adverse effect on the expected future cash flows of the financial asset.

Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the customer;
- a breach of contract, such as a default or past due event;
- restructuring of a loan or credit facility by the company that it would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for that financial asset because of financial difficulties.

The following table contains information on the estimated credit risk and expected credit losses for trade receivables measured at amortized cost. For the determination of the impairment rates, please refer to Note 2.13—Financial instruments.

<i>in EUR thousand</i>	<u>Weighted-average loss rate</u>	<u>Trade receivables (gross)</u>	<u>Loss allowance</u>
Current (not past due)	1%	799	(11)
1–30 days past due	6%	720	(46)
31–60 days past due	2%	382	(6)
61–90 days past due	2%	102	(2)
More than 90 days past due	2%	485	(8)
Total		<u>2,488</u>	<u>(73)</u>

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers as of December 31, 2022.

<i>in EUR thousand</i>	<u>Weighted-average loss rate</u>	<u>Trade receivables (gross)</u>	<u>Loss allowance</u>
Current (not past due)	2%	838	(13)
1–30 days past due	1%	415	(6)
31–90 days past due	1%	360	(5)
61–90 days past due	0%	9	—
More than 90 days past due	25%	197	(50)
Total		<u>1,819</u>	<u>(74)</u>

<i>in EUR thousand</i>	<u>31 December 2023</u>	<u>31 December 2022</u>
Trade receivables (gross)	2,488	1,819
Impairment	(73)	(74)
Trade receivables measured at amortized cost (net)	<u>2,415</u>	<u>1,745</u>
Loss rate	<u>3%</u>	<u>4%</u>

The credit risk associated with financial transactions is managed centrally by the finance department. Within the scope of the risk management, counterparty risk is assessed and monitored consistently. BigReps objective is to minimize the risk of default.

An analysis of the ageing of receivables and the creditworthiness of customers is used to evaluate this risk at each reporting date.

The gross carrying amount of a financial asset is written-off if BigRep does not believe that all or part of the financial asset can be realized without undue costs and efforts.

For trade receivables measured at amortized cost BigRep additionally assesses at each reporting date, if there are indicators that imply that trade receivables need to be individually impaired or written-off.

All of BigRep’s other financial assets measured at amortized cost are considered to have low credit risk. For this reason, the calculation of the expected credit loss is limited to the 12-month credit loss. Financial assets are considered by management to have a low credit risk if the risk of non-performance is low, and the counterparty is at any time able to meet its contractual obligations at short notice. No significant impairment losses could be inferred for these line items based on the impairment provisions of the expected credit loss model for the reporting dates presented in these annual financial statements.

11.4 Liquidity risk

Liquidity risk is the risk that BigRep will not be able to meet its assumed financial liabilities when they fall due. Therefore, a key objective of liquidity risk management is to ensure that payment is possible at all times. Management continuously monitors the risk of liquidity shortages.

The liquidity risk management of BigRep ensures the availability of cash and bank balances for operational activities and further investments through appropriate budget planning.

Ultimately, the responsibility for liquidity risk management lies within the treasury department, which has established an appropriate approach to managing short-, medium- and long-term financing and liquidity requirements. BigRep manages liquidity risks by monitoring forecast and actual cash flows reconciling the maturity profiles of financial assets and liabilities on a monthly basis. Additionally, currently BigRep is essentially financed by additional payments of shareholders.

There are no available credit lines as of December 31, 2023 and December 31, 2022.

The maturity profile of BigRep's financial liabilities based on contractual undiscounted payments is summarized as follows:

As of December 31, 2023

<i>in EUR thousand</i>	<u>< 1 year</u>	<u>1 to 5 years</u>	<u>> 5 years</u>	<u>Total</u>	<u>Carrying amount</u>
Trade payables	1,830	—	—	1,830	1,830
Lease liabilities	352	16	—	368	356
Loans and borrowings	64	960	—	1,024	800
Liabilities towards shareholders	1,664	2,650	—	4,314	4,050
Other financial liabilities	169	—	—	169	169
Total	<u>4,079</u>	<u>3,626</u>	<u>—</u>	<u>7,705</u>	<u>7,205</u>

As of December 31, 2022

<i>in EUR thousand</i>	<u>< 1 year</u>	<u>1 to 5 years</u>	<u>> 5 years</u>	<u>Total</u>	<u>Carrying amount</u>
Trade payables	1,148	—	—	1,148	1,148
Lease liabilities	538	372	—	910	845
Loans and borrowings	64	781	243	1,088	800
Liabilities towards shareholders	1,860	—	—	1,860	1,816
Other financial liabilities	195	—	—	195	195
Total	<u>3,805</u>	<u>1,153</u>	<u>243</u>	<u>5,201</u>	<u>4,804</u>

As of December 31, 2022, the other financial liabilities of EUR 195 thousand contain derivative financial liabilities amounting to EUR 47 thousand, which also have a maturity of less than one year.

11.5 Categories of financial instruments and fair values

In accordance with IFRS 9, the following tables visualize the carrying amounts, valuations and fair values of financial assets and liabilities for each individual category of financial instruments as well as their corresponding levels within the fair value hierarchy in accordance with IFRS 13.

As of December 31, 2023

<i>in EUR thousand</i>	Category IFRS 9*	Carrying amount	Amortized cost (AC)	Fair value through profit or loss (FVPL)	Fair value	Fair value level
Assets						
Cash and bank balances	FAAC	649	649	—	—	n/a
Trade receivables	FAAC	2,415	2,415	—	—	n/a
Other current financial assets	FAAC	5	5	—	5	2
Other non-current financial assets	FAAC	151	151	—	151	2
Liabilities						
Trade payables	FLAC	1,830	1,830	—	n/a	n/a
Financial liabilities—current						
Bank loans	FLAC	—	—	—	—	2
Lease liabilities	n/a	340	340	—	—	n/a
Shareholder loans	FLAC	1,522	1,522	—	1,522	2
Other current financial liabilities	FLAC	169	169	—	169	2
Derivative financial liabilities	FVTPL	—	—	—	—	2
Financial liabilities—non-current						
Bank loans	FLAC	800	800	—	729	2
Shareholder loans	FLAC	2,528	2,528	—	2,330	2
Lease liabilities	n/a	16	16	—	—	n/a
Other non-current financial liabilities	FLAC	—	—	—	—	2

As of December 31, 2022

<i>in EUR thousand</i>	Category IFRS 9*	Carrying amount	Amortized cost (AC)	Fair value through profit or loss (FVPL)	Fair value	Fair value level
Assets						
Cash and bank balances	FAAC	1,777	1,777	—	—	n/a
Trade receivables	FAAC	1,745	1,745	—	—	n/a
Other current financial assets	FAAC	7	7	—	7	2
Other non-current financial assets	FAAC	151	151	—	151	2
Liabilities						
Trade payables	FLAC	1,148	1,148	—	n/a	n/a
Financial liabilities—current						
Bank loans	FLAC	—	—	—	—	2
Lease liabilities	n/a	487	487	—	—	n/a
Shareholder loans	FLAC	1,816	1,816	—	1,816	2
Other current financial liabilities	FLAC	148	148	—	148	2
Derivative financial liabilities	FVTPL	47	—	47	47	2
Financial liabilities—non-current						
Bank loans	FLAC	800	800	—	707	2
Shareholder loans	FLAC	—	—	—	—	2
Lease liabilities	n/a	358	358	—	—	n/a
Other non-current financial liabilities	FLAC	—	—	—	—	2

* FAAC = Financial assets at amortized costs; FLAC = Financial liabilities at amortized cost, FVtPL = Fair value through profit or loss

For details regarding current and non-current financial assets and other current and non-current financial liabilities please refer to Note 8.2—Other financial assets and Note 8.4—Financial liabilities. As all inputs are directly or indirectly observable, the instruments are assigned to level 2.

Fair values of cash and bank balances, trade receivables, current and non-current financial assets, trade payables, current loans and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The financial liabilities' fair value is calculated using a discounted cash flow model based on a discount rate derived from the risk-free market rate adjusted to reflect an appropriate credit risk premium. Premiums on corporate bonds with a similar rating to BigRep were utilized for the credit risk premium.

The following table provides an overview on net gains (losses) on financial instruments:

<i>in EUR thousand</i>	<u>2023</u>	<u>2022</u>
Financial assets amortized cost	(77)	(79)
Financial liabilities amortized cost	(207)	(166)
Financial liabilities at fair value through profit and loss	—	5
Total	<u>(284)</u>	<u>(240)</u>

Total interest expense calculated using the effective interest method amounts in 2023 to EUR 207 thousand (2022: EUR 156 thousand).

12 Notes to the consolidated statement of cash flows

The statement of cash flows shows cash flows broken down into cash inflows and outflows from operating, investing and financing activities, irrespective of the classification used in the statement of financial position.

Cash flow from operating activities is derived indirectly from profit or loss for the year. Profit or loss for the year is adjusted for non-cash expenses (mainly depreciation and amortization) and income. Taking into account the changes in working capital, the cash flow from operating activities is derived.

Investing activities mainly include additions and disposals to property, plant and equipment and intangible assets.

Financing activities include cash inflows resulting from the issue of share capital and share premium, loans received, repayments of financial and lease liabilities and the corresponding interest payments.

Changes in liabilities arising from financing activities

BigRep's financial liabilities have developed as follows:

<i>in EUR thousand</i>	<u>1 January 2023</u>	<u>Cash</u>	<u>Non-cash effective</u>	<u>31 December 2023</u>
Liabilities to banks	800	—	—	800
Liabilities to shareholders	1,816	8,115	(5,881)	4,050
Lease liabilities	845	(481)	(7)	356
Total liabilities arising from financing activities	<u>3,461</u>	<u>7,634</u>	<u>(5,889)</u>	<u>5,206</u>

<i>in EUR thousand</i>	<u>1 January 2022</u>	<u>Cash</u>	<u>Non-cash effective</u>	<u>31 December 2022</u>
Liabilities to banks	800	—	—	800
Liabilities to shareholders	—	1,860	(44)	1,816
Lease liabilities	1,207	(419)	57	845
Total liabilities arising from financing activities	<u>2,007</u>	<u>1,441</u>	<u>13</u>	<u>3,461</u>

13 Group structure

List of legal entities fully included in the scope of consolidation:

<u>Name</u>	<u>Country of incorporation</u>	<u>Head-quarter</u>	<u>% equity interest</u>	
			<u>2023</u>	<u>2022</u>
BigRep America Inc., Wilmington, MA, USA	United States	Wilmington	100%	100%
BigRep Private Ltd., Singapore	Singapore	Singapore	100%	100%

BigRep controls BigRep America Inc. and BigRep Private Ltd. as both are 100% owned subsidiaries. BigRep has the voting majority in accordance with IFRS 10 and it has the ability to affect the returns through its power over the entity.

14 Contingent liabilities and contingent assets

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events that are outside the control of BigRep. Furthermore, present obligations are contingent liabilities if it is not probable that an outflow of resources will be required to settle the obligation and/or the amount of the obligation cannot be estimated with sufficient reliability.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are outside the control of BigRep.

There are no contingent liabilities or contingent assets at the reporting dates.

15 Related party transactions

Entities with significant influence over the Group

Name	Place of incorporation	Ownership stakes	
		31 December 2023	31 December 2022
Koehler Invest GmbH	Oberkirch	36,2%	34,3%
BASF Venture Capital GmbH	Ludwigshafen	30,8%	28,2%

Note 1—Basis of preparation and Note 13—Group structure provide additional information about the Group's structure and the scope of consolidation.

Key management personnel compensation

Key management personnel include the managing directors and the member of the advisory board and the compensation comprised the following:

Compensation of key management personnel

<i>in EUR thousand</i>	2023	2022
Short-term employee benefits	825	489
Share-based payment transactions	—	(97)
Total compensation paid to key management personnel	825	392

Compensation of BigRep's key management personnel includes salaries, bonus payments and the advisory board compensation. The amounts disclosed in the table are the amounts recognized as an expense during the reporting periods related to key management personnel.

Furthermore, key management personnel of BigRep are entitled to participate in a share-based payment program (please refer to Note 9.8—Share-based payments for further information). BigRep recognized liabilities arising from the SAR program for key management personnel in the amount of EUR 0 thousand as of December 31, 2023 (December 31, 2022: EUR 306 thousand).

In the reporting period 2023 2,342 options were granted to the key management personnel (2022: 2,154).

Transactions with related parties

The following transactions occurred with related parties:

Received goods and services

<i>in EUR thousand</i>	2023	2022
Purchase of goods from other related parties	(130)	(129)
Total	(130)	(129)

Goods provided

<i>in EUR thousand</i>	<u>2023</u>	<u>2022</u>
Sale of goods to other related party	441	184
Total	<u>441</u>	<u>184</u>

Loans received and associated interest

<i>in EUR thousand</i>	<u>2023</u>	<u>2022</u>
Transactions resulting from loans received from entities with significant influence over the entity	(79)	(3)
Transactions resulting from loans received from other related parties	<u>(1)</u>	<u>—</u>
Total	<u>(80)</u>	<u>(3)</u>

Outstanding balances arising from transactions with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

<i>in EUR thousand</i>	<u>31 December 2023</u>	<u>31 December 2022</u>
Current payables to:		
Key Management Personnel	(385)	(1)
Other related parties	<u>(22)</u>	<u>(20)</u>
Current receivables from:		
Other related parties	<u>0</u>	<u>6</u>
Total	<u>(407)</u>	<u>(15)</u>
<i>in EUR thousand</i>	<u>31 December 2023</u>	<u>31 December 2022</u>
Loans received from:		
Entities with significant influence over the entity	(3,830)	(1,863)
Other related parties	<u>(220)</u>	<u>—</u>
Total	<u>(4,050)</u>	<u>(1,863)</u>

All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in the next months of the reporting date. None of the balances are secured. No expense has been recognized in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties. Additionally, a limited individual guarantee in the amount of EUR 50 thousand from each BASF Venture Capital GmbH and Koehler Invest GmbH are provided to IBB as securities for the loan.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

16 Subsequent Events

After the balance sheet date December 31, 2023 further shareholder loans with a total amount of EUR 4.3m were issued.

On November 3, 2023, BigRep signed a share contribution agreement with HAGE Holding, under which HAGE Holding will contribute all shares in HAGE3D immediately prior to the closing of the business combination described below. As consideration for the contribution of the shares in HAGE3D, the HAGE Holding will become a BigRep shareholder.

On December 20, 2023 with amendments on May 28, 2024, SMG Technology Acceleration SE, BigRep and all of BigRep's shareholders entered into a business combination agreement relating to the business combination between SMG Technology and BigRep, pursuant to which SMG Technology intends to acquire all outstanding equity of BigRep, in exchange for a consideration consisting of Public Shares (the "Business Combination"). The business combination is expected to be completed in early Q3 2024.

Berlin, Germany

May 29, 2024

Sgd. Dr. Reinhard Festag

Sgd. Sven Thate

Managing Director (Geschäftsführer) BigRep GmbH

Audited Consolidated Financial Statements
as of and for the Years Ended December 31, 2022 and December 31, 2021
(Prepared in accordance with IFRS)
of BigRep GmbH, Berlin

INDEPENDENT AUDITOR'S OPINION

To the BigRep GmbH, Berlin

Opinion

We have audited the consolidated financial statements of BigRep GmbH, Berlin, and its subsidiaries (the Group) which comprise the consolidated statements of financial position as at 31 December 2021 and 31 December 2022, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the years then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, on the basis of the knowledge obtained in the audit the accompanying consolidated financial statements comply, in all material respects, with the International Financial Reporting Standards (IFRS) as adopted by the European Union and give a true and fair view of the consolidated assets, liabilities, financial position of the company as at 31 December 2021 and 31 December 2022 and of its consolidated financial performance for the financial years then ended.

Pursuant to Section 322 (3) sentence 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with Section 317 GCC and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany / IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our auditor's report. We are independent of the company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter—Material uncertainty regarding the ability to continue as a going concern

We draw attention to Note 1.3 Material uncertainty to the consolidated financial statements, which describes a material uncertainty in connection with events or circumstances that individually or collectively may cast significant doubt on the Group's ability to continue as a going concern. Our audit opinion on the consolidated financial statements is not modified in this respect.

Responsibilities of the legal representatives for the consolidated financial statements

The legal representatives are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the IFRS, and that the consolidated financial statements give a true and fair view of the consolidated assets, liabilities, financial position and financial performance of the company. In addition, the legal representatives are responsible for such internal control as they, have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, unless the legal representatives either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an opinion on the consolidated financial statements based on our audit.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 GCC and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the legal representatives and the reasonableness of estimates made by the legal representatives and related disclosures.
- Conclude on the appropriateness of the legal representatives' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the consolidated assets, liabilities, financial position and financial performance of the Group in compliance with IFRS.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We are solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Offenbach am Main, 29 May 2024

HaackSchubert GmbH
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT

Benedikt Barkey
Wirtschaftsprüfer
(German Public Auditor)

Daniel Steinweger
Wirtschaftsprüfer
(German Public Auditor)

Consolidated statements of total comprehensive income

For the financial years ended December 31, 2022 and 2021

<i>in EUR thousand</i>	<u>Note</u>	<u>2022</u>	<u>2021</u>
Revenue from contracts with customers	7	9,062	7,499
Other income	8.1	2,407	550
Own work capitalized	10.1	1,746	1,826
Cost of materials	8.2	(4,475)	(4,390)
Personnel expenses	8.3	(6,894)	(6,642)
Other expenses	8.4	<u>(3,954)</u>	<u>(2,803)</u>
Earnings before interest taxation depreciation and amortization (EBITDA)*		<u>(2,108)</u>	<u>(3,960)</u>
Depreciation expenses	10.2, 10.3	(884)	(1,037)
Amortization expenses	10.1	<u>(1,679)</u>	<u>(1,951)</u>
Operating result (EBIT)*		<u>(4,671)</u>	<u>(6,947)</u>
Finance income	8.5	—	—
Finance costs	8.5	<u>(161)</u>	<u>(158)</u>
Financial result, net		<u>(161)</u>	<u>(158)</u>
Profit / Loss before tax (EBT)*		<u>(4,832)</u>	<u>(7,105)</u>
Income tax	8.6	<u>(131)</u>	<u>(24)</u>
Profit / Loss for the year		<u>(4,963)</u>	<u>(7,129)</u>
<i>Items that will be reclassified subsequently to profit or loss:</i>			
Exchange differences from the translation of foreign operations		<u>(301)</u>	<u>(199)</u>
Other comprehensive income / loss for the year, net of tax		<u>(301)</u>	<u>(199)</u>
Total comprehensive income / loss for the year		<u>(5,264)</u>	<u>(7,328)</u>

* key indicators not defined in IFRS

Consolidated statements of financial position

For the financial years ended December 31, 2022, 2021 and January 1, 2021

in EUR thousand

<u>Assets</u>	<u>Note</u>	<u>31 December 2022</u>	<u>31 December 2021</u>	<u>1 January 2021</u>
Non-current assets				
Intangible assets	10.1	2,965	2,895	2,918
Property, plant and equipment	10.2	600	765	1,338
Right-of-use assets	10.3	761	1,144	1,417
Non-current financial assets	9.2	151	137	130
Deferred tax assets	10.5	5	21	18
Total non-current assets		<u>4,482</u>	<u>4,962</u>	<u>5,821</u>
Current assets				
Inventories	10.4	2,297	1,755	1,696
Advance payments on inventories		83	293	360
Trade receivables	9.1	1,745	1,054	730
Current financial assets	9.2	7	15	25
Other current assets	10.9	177	418	660
Cash and cash equivalents	9.3	1,777	2,458	623
Total current assets		<u>6,086</u>	<u>5,993</u>	<u>4,094</u>
Total assets		<u>10,568</u>	<u>10,955</u>	<u>9,915</u>
<u>Equity and liabilities</u>	<u>Note</u>	<u>31 December 2022</u>	<u>31 December 2021</u>	<u>1 January 2021</u>
Equity				
Share capital	11	583	537	413
Share premium		53,665	50,474	41,201
Other reserves		(692)	(391)	(192)
Retained earnings		(49,770)	(44,806)	(37,678)
Capital contributions to execute capital increase		—	—	26
Total equity		<u>3,786</u>	<u>5,814</u>	<u>3,770</u>
Non-current liabilities				
Non-current financial liabilities	9.4	800	806	45
Non-current lease liabilities	10.3	358	802	1,101
Other non-current liabilities	10.10	—	1,075	806
Deferred tax liabilities	10.5	—	—	—
Total non-current liabilities		<u>1,158</u>	<u>2,683</u>	<u>1,952</u>
Current liabilities				
Current financial liabilities	9.4	2,011	161	1,392
Current lease liabilities	10.3	487	404	316
Short-term employee benefits	10.6	403	311	254
Current provisions	10.7	153	192	175
Contract liabilities	7.2	541	404	297
Trade payables	9.5	1,148	874	1,592
Other current liabilities	10.10	881	113	167
Total current liabilities		<u>5,624</u>	<u>2,459</u>	<u>4,193</u>
Total liabilities		<u>6,782</u>	<u>5,142</u>	<u>6,145</u>
Total equity and liabilities		<u>10,568</u>	<u>10,955</u>	<u>9,915</u>

Consolidated statements of changes in equity

For the financial years ended December 31, 2022 and 2021

<i>in EUR thousand</i>	Note	Share capital	Share premium	Translation reserve ⁽²⁾	Retained earnings	Capital contributions to execute capital increase	Total equity
Balance as of January 1, 2021	11	413	41,201	(192)	(37,678)	26	3,770
Profit / Loss for the year ⁽¹⁾		—	—	—	(7,129)	—	(7,129)
Other comprehensive income for the year ⁽¹⁾		—	—	(199)	—	—	(199)
Total comprehensive income		—	—	(199)	(7,129)	—	(7,328)
Capital increase	11	124	9,330	—	—	(26)	9,428
Cost of equity transaction	11	—	(57)	—	—	—	(57)
Balance as of December 31, 2021	11	537	50,474	(391)	(44,806)	—	5,814
Balance as of January 1, 2022		537	50,474	(391)	(44,806)	—	5,814
Profit / Loss for the year ⁽¹⁾		—	—	—	(4,963)	—	(4,963)
Other comprehensive income for the year ⁽¹⁾		—	—	(301)	—	—	(301)
Total comprehensive income		—	—	(301)	(4,963)	—	(5,264)
Capital increase	11	46	3,454	—	—	—	3,500
Cost of equity transaction	11	—	(263)	—	—	—	(263)
Balance as of December 31, 2022	11	583	53,665	(692)	(49,770)	—	3,786

(1) Attributable to the owners of BigRep GmbH only

(2) included in other reserves

Consolidated statements of cash flows

For the financial years ended December 31, 2022 and 2021

<i>in EUR thousand</i>	Note	<u>2022</u>	<u>2021</u>
Profit / Loss for the year		(4,963)	(7,129)
	10.1		
+/- Adjustments for depreciation and amortization	10.2	2,563	2,988
	10.3		
+/- Adjustments for provisions	10.7	(39)	17
-/+ Adjustments for increase/decrease in inventories, trade receivables and other assets that are not attributable to investing or financing activities		(898)	33
+/- Adjustments for increase/decrease in trade payables and other liabilities that are not attributable to investing or financing activities		225	(1,130)
	10.1		
-/+ Adjustments for gains/losses on disposals of non-current assets	10.2	19	60
+/- Adjustments for share-based payments	10.8	(293)	269
+/- Adjustments for finance income/cost	8.5	161	158
+/- Adjustments for income tax expense	8.6	131	23
-/+ Income taxes paid	8.6	—	—
Cash flow from operating activities		(3,094)	(4,711)
- Payments for intangible assets	10.1	(1,749)	(1,928)
+ Proceeds on disposals of property, plant and equipment	10.2	—	—
- Payments for property, plant and equipment	10.2	(288)	(107)
+ Interest received	8.5	—	—
Cash flow from investing activities		(2,037)	(2,035)
+ Proceeds from issue of share capital and share premium	11	3,501	8,427
- Cost of equity transaction	11	(377)	(49)
+ Proceeds from loans and borrowings	9.4	1,860	800
- Repayments of loans and borrowings	9.4	—	(123)
- Payments of lease liabilities	10.3	(419)	(340)
- Interest paid	8.5	(156)	(153)
Cash flow from financing activities		4,409	8,562
Net increase/(decrease) in cash and cash equivalents		(722)	1,816
Cash and cash equivalents at beginning of year		2,458	623
Effect of foreign exchange rate changes		41	19
Cash and bank balances at end of year		<u>1,777</u>	<u>2,458</u>

Notes to the consolidated financial statements

1 Basis of preparation

1.1 General information and description of the business

BigRep GmbH, hereinafter referred to as “BigRep”, “BigRep Group” or “Group”, is a producer of advanced 3D printing solutions. It is characterized by its holistic offerings for its customer’s requirements. It serves a wide range of industries e. g. industrial, business solution and consumer products, automotive, transportation, aerospace and logistics as well as government and education. BigRep’s portfolio addresses a broad range of applications with its innovation line as well as industrial line.

BigRep provides hardware for flexibility in producing big parts with high accuracy and low cost, software with easy-to-use applications and machine connectivity, all-inclusive support as well as an open material system for limitless materials.

BigRep is located in Germany, the USA, Singapore and China with own application centers. Additional to these four own locations the distribution channel extends around the globe, in over 40 countries via the reseller network. BigRep has over 50 active resellers, evenly distributed in America, EMEA and APAC.

The parent and ultimate parent company of the BigRep Group is BigRep GmbH. The registered office of the company is in Berlin, Germany. It is located in Gneisenaustraße 66, 10961 Berlin. BigRep GmbH is registered in Berlin’s Commercial Register B under the number HRB 155360.

1.2 Consolidated financial statements

The purpose of these consolidated financial statements is to provide historical financial information on BigRep for a potential SPAC merger in the European Union. The Group’s consolidated financial statements reflect BigRep GmbH, BigRep America Inc. and BigRep Private Ltd. (for further details please refer to Note 14—Group structure). As no IFRS financial statements containing information on BigRep were prepared in the past (until now only consolidated group financial statements for German GAAP (“Handelsgesetzbuch, HGB”) prepared), this will be a first-time adoption of IFRS. These consolidated financial statements are voluntarily consolidated financial statements and not prepared under German local requirements as of §315e Par. III HGB.

BigRep has prepared these consolidated financial statements in accordance with International Financial Reporting Standards (“IFRS”) and the interpretations of the IFRS Interpretations Committee (“IFRS IC”) that had been adopted by the European Commission by the end of the reporting period December 31, 2022 for application in the EU.

The financial year corresponds to the calendar year. Within the consolidated statements of financial position, assets and liabilities are classified by maturity. They are assigned as current if they are due or expected to be realized within twelve months from the reporting date (see Note 3.4—Current vs. non-current classifications). The consolidated statements of total comprehensive income have been prepared using the total cost method.

The consolidated financial statements have been prepared and published in Euro. Unless stated otherwise, the numbers are rounded to thousands of euros. Rounding differences may occur in respect of individual amounts or percentages.

The consolidated financial statements were prepared and authorized on May 13, 2024 by the management of BigRep (*Geschäftsführung*).

1.3 Material uncertainty

The consolidated financial statements were prepared on a going concern basis. As a growth company, BigRep is dependent on the injection of additional funds until it breaks even. The current break-even is planned for the end of 2025 leading to a planned consolidated profit for the year 2026. Additional financing was secured by BigRep’s shareholders already during 2023 by providing EUR 4.1m convertible loans as well as EUR 4.0m shareholder loans. A conversion of the loans combined with a cash capital increase was carried out in the second half of 2023. That will secure BigRep’s financing well into 2024. In 2024, further shareholder loans with a total amount of EUR 4.3m were issued. BigRep also intends to carry out a capital market transaction in the form of a business combination with a listed European investor which is expected to lead to a major cash inflow in the near future. A significantly negative deviation from the plan or the failure to achieve the targeted inflows from the capital market transaction could lead to a need for additional financial resources in the

forecast period. Should it not be possible to cover these additional financial requirements, this could lead to a material uncertainty according to IAS 1. Since the above-described measures are predominately probable the going concern principle is applied.

2 First time adoption of IFRS

BigRep has previously prepared financial statements in accordance with German GAAP (HGB). As BigRep has not previously prepared consolidated, combined or stand-alone financial statements according to IFRS, these consolidated financial statements are the first IFRS financial statements in which IFRS 1 (First-time Adoption of International Financial Reporting Standards) has been applied. The IFRS consolidated opening balance was prepared for January 1, 2021.

These first-time IFRS consolidated financial statements include the financial years ended December 31, 2022 and 2021.

For the presentation period and the opening balance in accordance with IFRS 1, BigRep has applied the accounting policies that apply at the end of the reporting period. All standards that were mandatory at the balance sheet date were implemented.

The resulting differences between the carrying amounts of assets and liabilities in accordance with IFRS and the carrying amounts of assets and liabilities according to German GAAP as at January 1, 2021 are directly recognized in equity (outside the income statement) at the time of transition to IFRS.

As permitted by IFRS 1, BigRep has made use of a number of exemption provisions. These concern lease liabilities and the right-of-use assets (as outlined in IFRS 1.18 together with IFRS 1.D9D) as well as revenue recognition according to IFRS 15 (cf. IFRS 1.18 together with IFRS 1.D34f). See below for further details.

Adoption of IFRS 15

A first-time adopter may apply the transition provisions in paragraph C5 of IFRS 15. In those paragraphs references to the 'date of initial application' shall be interpreted as the beginning of the first IFRS reporting period. If a first-time adopter decides to apply those transition provisions, it shall also apply paragraph C6 of IFRS 15 (IFRS 1.D34).

A first-time adopter is not required to restate contracts that were completed before the earliest period presented. A completed contract is a contract for which the entity has transferred all of the goods or services identified in accordance with previous GAAP (IFRS 1.D35).

BigRep uses this exemption provision. In accordance with IFRS 1.D35 BigRep does not restate contracts that were completed before the earliest period presented.

Adoption of IFRS 16

For leases, the exemption from retrospective measurement of lease contracts is applied. On the date of transition to IFRS, January 1, 2021, the right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease (IFRS 1.D9B). Lease liabilities are measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of transition. For further information see section 3.10—Leases.

In applying IFRS 16 for the first time, BigRep has used the following practical expedients permitted by the standard (IFRS 1.D9D):

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics,
- not applying the requirements in paragraph IFRS 1.D9B to leases for which the lease term ends within 12 months of the date of transition to IFRS,
- not applying the requirements in paragraph IFRS 1.D9B to leases for which the underlying asset is of low value,
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Reconciliation of transition to IFRS

As these are consolidated IFRS financial statements and previously consolidated financial statements were prepared in accordance with German GAAP, the following reconciliation in accordance with IFRS 1.24 is required.

Reconciliation of statement of financial position

in EUR thousand

Assets	Description	31 December 2022			1 January 2021		
		IFRS statement of financial position	Effect of transition to IFRS	Previous GAAP	IFRS statement of financial position	Effect of transition to IFRS	Previous GAAP
Non-current assets							
Intangible assets	I, II	2,965	(485)	3,450	2,918	(366)	3,285
Property, plant and equipment		600	—	600	1,338	34	1,305
Right-of-use assets	III	761	761	—	1,417	1,417	—
Non-current financial assets		151	—	151	130	1	129
Deferred tax assets	VI	5	5	—	18	6	12
Total non-current assets		4,482	281	4,202	5,821	1,090	4,731
Current assets							
Inventories	VI	2,297	(55)	2,352	1,696	—	1,696
Advance payments on inventories		83	—	83	360	—	360
Trade receivables		1,745	—	1,745	730	—	730
Current financial assets	VI	7	—	7	25	5	20
Other current assets	VI	177	(15)	192	660	32	628
Cash and cash equivalents		1,777	—	1,777	623	—	623
Total current assets		6,086	(70)	6,156	4,094	37	4,057
Total assets		10,568	211	10,358	9,915	1,127	8,788

in EUR thousand

Equity and liabilities	Description	31 December 2022			1 January 2021		
		IFRS statement of financial position	Effect of transition to IFRS	Previous GAAP	IFRS statement of financial position	Effect of transition to IFRS	Previous GAAP
Equity							
Share capital		583	—	583	413	—	413
Share premium	IV	53,665	(1,487)	55,152	41,201	(1,167)	42,368
Other reserves		(692)	(4)	(688)	(192)	0	(192)
Retained earnings		(49,770)	78	(49,848)	(37,678)	4	(37,681)
Capital contributions to execute capital increase		—	—	—	26	—	26
Total equity		3,786	(1,413)	5,199	3,770	(1,163)	4,933
Non-current liabilities							
Non-current financial liabilities		800	—	800	45	45	—
Non-current lease liabilities	III	358	358	—	1,101	1,101	—
Other non-current liabilities	V	0	0	—	806	806	—
Deferred tax liabilities		—	—	—	0	0	—
Total non-current liabilities		1,158	358	800	1,952	1,952	—
Current liabilities							
Current financial liabilities	VI	2,011	(3)	2,014	1,392	22	1,370
Current lease liabilities	III	487	487	—	316	316	—
Short-term employee benefits		403	—	403	254	—	254
Current provisions	VI	153	(67)	220	175	(70)	244
Contract liabilities		541	—	541	297	—	297
Trade payables	VI	1,148	40	1,108	1,592	29	1,564
Other current liabilities	V	881	808	73	167	41	126
Total current liabilities		5,624	1,266	4,358	4,193	338	3,855
Total liabilities		6,782	1,624	5,158	6,145	2,290	3,855
Total equity and liabilities		10,568	211	10,358	9,915	1,127	8,788

Reconciliation of equity

in EUR thousand

	Description	31 December 2022	1 January 2021
Total equity under previous GAAP		5,199	4,933
Goodwill-Adjustments (IFRS 10)	II	—	(185)
Other consolidation effects	VI	(55)	—
Leases (IFRS 16)	III	(99)	(28)
Intangible Assets (IAS 38)	I	(485)	(181)
Convertible Loan (IAS 32)	VI	3	0
Share-based payment (IFRS 2)	V	(782)	(806)
Cost of equity transaction (IAS 32)	IV	—	22
Tax effect of the above		5	16
Total adjustments to equity		(1,413)	(1,163)
Total equity under IFRS		3,786	3,770

Reconciliation of statement of comprehensive income

in EUR thousand

	Description	2022		
		IFRS	Effect of transition to IFRS	Previous GAAP
Revenue from contracts with customers		9,062	—	9,062
Other income	V	2,407	293	2,114
Own work capitalized		1,746	—	1,746
Cost of materials	VI	(4,475)	(61)	(4,414)
Personnel expenses		(6,894)	1	(6,895)
Other expenses	III, IV	(3,954)	924	(4,878)
Earnings before interest taxation depreciation and amortization (EBITDA)*		(2,108)	1,156	(3,264)
Depreciation expenses	II, III	(884)	(456)	(428)
Amortization expenses	I	(1,679)	(98)	(1,582)
Operating result (EBIT)*		(4,671)	603	(5,274)
Finance income		0	—	0
Finance costs	III, VI	(161)	(91)	(70)
Financial result, net		(161)	(92)	(70)
Profit / Loss before tax (EBT)*		(4,832)	512	(5,344)
Income tax	VI	(131)	(117)	(15)
Profit / Loss for the year		(4,963)	395	(5,358)

* key indicators not defined in IFRS

Reconciliation of profit

in EUR thousand

	Description	2022
Profit or loss previous GAAP		(5,358)
Goodwill-Adjustments (IFRS 10)	II	93
Other consolidation effects	VI	(61)
Leases (IFRS 16)	III	(3)
Intangible assets (IAS 38)	I	(189)
Convertible loan (IAS 32)	VI	3
Share-based payment (IFRS 2)	V	293
Cost of equity transaction (IAS 32)	IV	264
Tax effect of the above		(3)
Total adjustments to profit or loss		395
Profit or loss under IFRS		(4,963)

Reconciliation of statement of cash flow

in EUR thousand

	IFRS	2022 Effect of transition to IFRS	Previous GAAP
Cash flow from operating activities	(3,094)	848	(3,942)
Cash flow from investing activities	(2,037)	(2)	(2,035)
Cash flow from financing activities	4,409	(887)	5,296
Net increase/(decrease) in cash and cash equivalents	(722)	(41)	(681)
Cash and cash equivalents at beginning of year	2,458	0	2,458
Effect of foreign exchange rate changes	41	41	—
Cash and bank balances at end of year	1,777	0	1,777

Explanations about the reconciliations:

I Adjustments of intangible assets

As of January 1, 2021 and December 31, 2022 the adjustments of intangible assets refer to capitalized development costs. In the course of the transition to IFRS an adjustment of the capitalization date and therefore the start of amortization was necessary.

II Adjustments of goodwill

In accordance with IFRS 3 and IFRS 10, the recognition criteria for goodwill recognized under German GAAP were not fulfilled under IFRS. Therefore, the goodwill was derecognized in the IFRS opening balance sheet as of January 1, 2021, and the amortization recognized under German GAAP was reversed in subsequent periods.

III Lease agreements

Pursuant to German GAAP, various leases were accounted for as operating leases. In accordance with the regulations of IFRS 16, right-of-use assets (RoU assets) and corresponding lease liabilities have been accounted for. At the time of transition to IFRS, this did not have any significant effect on the company's equity. Effects on earnings for the periods 2021 and 2022 are recognized in the statement of comprehensive income.

IV Cost of equity transactions

Under German GAAP, transaction costs which are directly attributable to the issuance of new equity instruments are expensed as incurred. Under IFRS, these costs are recognized directly within equity as a deduction from share premium.

V Share-based payments

Under local GAAP, no expenses or liabilities were recognized for share-based payments. IFRS requires the fair value of the virtual stock option plan (SAR) to be determined using an appropriate pricing model at each reporting date and the respective expenses are recognized over the vesting period.

VI Other adjustments

Other adjustments mainly concern adjustments related to the application of the effective interest method for financial liabilities (convertible shareholder loans). Furthermore, certain reclassifications, especially between financial and non-financial items as well as current and non-current, were made. Additionally deferred taxes were recognized on temporary differences as well as on tax losses carried-forward up to the amount of deferred tax liabilities. In some cases, additional intercompany profits had to be eliminated at Group level.

3 Significant accounting policies

3.1 Subsidiaries

Subsidiaries are companies controlled by BigRep. It controls a company when it is exposed to or has rights to variable returns from its involvement with the company and has the ability to affect those returns through its power over the company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Specifically, the Group controls another company if, and only if, the Group has:

1. power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
2. exposure, or rights, to variable returns from its involvement with the investee,
3. the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

1. The contractual arrangements with the other vote holders of the investee,
2. rights arising from other contractual arrangements,
3. the Group's voting rights and potential voting rights.

The Group assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

BigRep America Inc. and BigRep Private Ltd. are both 100% owned subsidiaries of BigRep GmbH and the Group has no non-controlling interests. All companies are accounted for in accordance with German GAAP (HGB) and are managed centrally in Berlin (see Note 1—Basis of preparation). IFRS adjustments are added for the preparation of these IFRS consolidated financial statements. The financial year corresponds to the calendar year for all Group companies.

3.2 Transactions eliminated on consolidation

Intercompany balances and transactions, and any income, expenses and cashflows as well as unrealized profits arising from intercompany transactions, are eliminated between the consolidated entities.

3.3 Foreign currency

The Group's consolidated financial statements are presented in euros, which is also the parent company's functional currency.

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates on the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate on the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate on the transaction date. Foreign currency differences were recognized in profit or loss and are shown separately under other income and other expenses (please refer to 8.1 Other income and 8.4 Other expenses for further information).

The most relevant exchange rates that were applied at the reporting dates are EUR / USD and EUR / SGD.

Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency Euro as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate on the respective balance sheet date,
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).

Foreign currency exchange differences are recognized in other comprehensive income (OCI) and accumulated in the translation reserve.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

(EUR / USD)

<u>Foreign currency translation rates</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Closing rate	0.93	0.88	0.81
Average exchange rates	0.94	0.88	

(EUR / SGD)

<u>Foreign currency translation rates</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Closing rate	0.70	0.65	0.62
Average exchange rates	0.70	0.65	

3.4 Current versus non-current classifications

BigReg presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;

- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.5 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by BigRep.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

BigRep uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair values are measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2—Inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in markets that are not active;
 - inputs other than quoted prices that are observable for the asset or liability, for example:
 - interest rates and yield curves observable at commonly quoted intervals
 - implied volatilities
 - credit spreads
 - inputs that are derived principally from or corroborated by observable market data by correlation or other means ('market-corroborated inputs').
- Level 3—unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, BigRep determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, BigRep has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

3.6 Revenue from contracts with customers

BigRep develops and sells advanced 3D printers as well as related products and services for the global market. The Group is characterized by its holistic solutions for any industry requirement. It produces a broad variety of designs for a wide range of industries, e. g. industrial, automotive, transportation, aerospace, logistics, government and education. A wide range of blue-chip companies count to the customers of BigRep. BigRep

distributes its products and services both to resellers and directly to customers through its own webshop or through the procurement of customers by independent sales agents.

The Group mainly generates revenues from contracts with customers in two different revenue streams:

- Customer contracts
- Reseller contracts

The nature and timing of satisfaction of performance obligations and significant payment terms do not significantly vary between these revenue streams. Advance payments received are included in contract liabilities. Contract liabilities are recognized as revenue when the Group performs under the contract (i.e. transfers control of the related goods or services to the customer). The maximum usual payment term for purchase on account is 30 days after receipt of the goods or services and the invoice.

BigRep recognizes revenues from the sale of products, e.g printers or filaments, at a point in time, when it transfers the control of a product to a customer. This is either the case upon delivery to the carrier or upon delivery to the customer depending on the contractual terms. BigRep arranges the shipping service on its behalf for the customer using third party services. The company has concluded that it acts as the principal in its revenue arrangements as it controls the goods and services before transferring them to the customer.

The Group offers to its customers a service-type warranty extensions including maintenance services. These revenues are recognized over the service period as the customer consumes and receives the benefits from BigRep standing ready to perform the services when and if needed. Progress towards complete satisfaction of the performance obligation is measured using the output method. The output-based method recognizes revenue on the basis of the monthly services provided to the customer on a pro rata basis for the respective 12 or 24-month contracts.

Revenue is measured based on the consideration to which BigRep expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. If a contract with a customer contains more than one performance obligation, the transaction price is allocated to each performance obligation on a relative-stand-alone selling price basis. The stand-alone selling price is determined based on the list prices at which the Group sells its products and services in separate transactions.

If variable consideration has been agreed upon in the contract, BigRep determines the amount of that consideration to which it is entitled in exchange for the transfer of promised goods and services to a customer. The amount of consideration may vary due to discounts, rebates, refunds, price reductions, incentives and performance bonuses. The promised consideration may also vary if the right to the consideration is contingent on the occurrence or non-occurrence of a future event. BigRep includes variable consideration in the transaction price only to the extent that it is highly probable that significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

BigRep pays success-based sales commission to sales agents for the procurement of a transaction with a customer. These costs of obtaining a contract are expensed when incurred in accordance with IFRS 15.94.

3.7 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

<u>Intangible assets</u>	<u>Useful life (Years)</u>
Internally generated intangible asset	<u>2–3</u>
Concessions, licenses and similar rights	<u>3–5</u>

An internally generated intangible asset arising from development (this is essentially the case for software applications and product development) is recognized if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;

- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Directly attributable costs that are capitalized include employee costs and an appropriate portion of relevant overheads.

Where no internally generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred. Costs associated with maintaining software programs are recognized as well as an expense as incurred.

Amortization of the internally generated intangible asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. Amortization is recorded in “Amortization expenses” within the consolidated statements of total comprehensive income.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

3.8 Property, plant and equipment

Buildings, technical equipment and machinery as well as other equipment, operating and office equipment are stated at cost less accumulated depreciation and accumulated impairment depreciation of these assets commences when the assets are ready for their intended use. Construction in progress is stated at cost, net of accumulated impairment losses, if any. Such cost includes the cost for new equipment or of replacing part of the equipment if the recognition criteria are met. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is recognized so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

<u>Property, plant and equipment</u>	<u>Useful life (Years)</u>
Buildings and leasehold improvements	1–10
Technical equipment and machinery	3–16
Other equipment, operating and office equipment	<u>3–13</u>

An item of property, plant and equipment is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3.9 Impairment of non-financial assets

At each reporting date, BigRep reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, BigRep estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a

reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognized for the asset in prior years.

3.10 Leases

At inception of a contract, BigRep assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In order to do so, BigRep examines whether:

- the contract involves the use of an identified asset—the latter may be specified explicitly or implicitly and should be physically distinct or substantially represent all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset cannot be identified;
- BigRep has the right to obtain substantially all of the economic benefits from using the asset throughout the period of use; and
- BigRep has the right to control the use of the asset. This is the case, when BigRep has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, BigRep can direct the use of the asset by either:
 - operating the asset; or
 - designing the asset in a way that predetermines its purpose and how it can be used

BigRep leases properties, vehicles as well as equipment. Lease contracts are typically made for fixed periods but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions.

At inception or on reassessment of a contract that contains a lease component, BigRep allocates the consideration in the contract to each lease component on the basis of their relative stand-alone price. Except for the asset class buildings, BigRep elects to combine lease and any associated non-lease components and account for them as one lease component.

BigRep recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of comparable property or equipment assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, BigRep’s incremental borrowing rate. Generally, BigRep uses its incremental borrowing rate at the lease commencement date as the discount rate because the interest rate implicit in the lease is not readily determinable.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by BigRep under residual value guarantees;
- the exercise price of a purchase option if BigRep is reasonably certain to exercise that option; and
- lease payments in an optional renewal period if BigRep is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless BigRep is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, and if BigRep changes its assessment of whether it will exercise an extension or termination option or when there is a modification of the lease.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

BigRep presents its right-of-use assets and lease liabilities as separate line-items in the statement of financial position.

Generally, depreciation is calculated on a straight-line basis over the remaining lease term, as follows:

<u>Right-of-use assets</u>	<u>Useful life (Years)</u>
Buildings	<u>3–5</u>
Vehicles	<u>3–4</u>

Extension and termination options

Extension and termination options are included in the property lease contracts of BigRep. These terms are used to maximize operational flexibility in terms of managing contracts.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. In the current reporting period, there were no adjustments to the contract terms in this regard.

Short-term leases and leases of low-value assets

BigRep has elected to apply the recognition exemption for short-term leases or lease contracts with an underlying asset of low value. Payments associated with short-term leases of vehicles and equipment and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets are leases of an initial value below EUR 5,000 and comprise IT equipment and small items of office and production equipment.

3.11 Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.12 Taxes

Current tax

The current tax payable is generally based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Due to historical tax loss carryforwards, no current taxes occur in the reporting periods.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which BigRep expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and BigRep intends to settle its current tax assets and liabilities on a net basis.

3.13 Financial instruments

Financial assets and financial liabilities are recognized in BigRep's statement of financial position when BigRep becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component, which are measured at its transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost (AC), fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and BigRep's business model for managing them. With the exception of trade receivables that do not contain a significant financing component BigRep initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 (see Note 3.6—Revenue from contracts with customers). Regular way purchases and sales of financial assets are recognized on trade date, being the date on which BigRep commits to purchase or sell the asset.

BigRep's financial assets mainly comprise trade receivables and cash and cash equivalents as well as other financial assets.

BigRep's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

BigRep measures financial assets at amortized cost if both of the following conditions are met:

The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Receivables are held to collect the contractual cash flows and are therefore measured at amortized cost.

Financial assets at FVTPL (debt instruments)

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in the income statement in the period in which it arises.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired; or
- BigRep has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) BigRep has transferred substantially all the risks and rewards of the asset, or (b) BigRep has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Impairment of financial assets

An allowance for expected credit losses (ECLs) should be recognized for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that BigRep expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures without a significant increase in credit risk since initial recognition, ECLs account for possible credit losses caused by default events within the next 12-months (a 12-month ECL). For credit exposures which have incurred a significant increase in credit risk since initial recognition, a loss allowance for credit losses covering the remaining exposure period is required, irrespective of the timing of the anticipated default (a lifetime ECL).

For trade receivables, BigRep applies a simplified approach in calculating ECLs. Therefore, BigRep does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. BigRep has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Based on historic records of default events, default rates are determined for different terms to maturity and applied to the respective outstanding balances of receivables within each maturity band.

BigRep considers the probabilities of default at the time of initial recognition of the financial assets and the existence of a significant increase in credit risk during all reporting periods. In order to assess if there has been a significant increase in credit risk, BigRep compares the credit risk as of the balance sheet date with the credit risk on initial recognition. Forward-looking information is considered for this purpose, including internal and external credit ratings as well as actual or expected significant adverse changes of financial or economic circumstances that significantly change the customer's ability to fulfil the obligation. Based on historical data and the analyses carried out, the Group does not automatically assume an underlying significant increase in credit risk if the counterparty is more than 30 days past due to make a contractual payment.

BigRep considers a financial asset in default when internal or external information indicates that BigRep is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by BigRep. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

To measure the expected credit losses financial assets have been grouped based on shared credit risk characteristics and the days past due.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at fair value at initial recognition.

BigRep's financial liabilities mainly include bank liabilities, shareholder loans, trade payables and lease liabilities.

Subsequent measurement

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

BigRep has not designated any financial liability as at fair value through profit or loss.

After initial recognition financial liabilities that were not designated at fair value through profit or loss are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost, the most relevant to BigRep, is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Compound financial instruments

Compound financial instruments issued by the Group include convertible shareholder loans, which can be converted in equity shares at the holder's and the issuer's discretion. These conversion features represent embedded derivatives which are bifurcated and recognized separately as derivative financial liabilities (assets).

Conversion features that are derivative assets / liabilities are typically accounted for separately from the host instrument when the economic characteristics and risks of an embedded derivative are not regarded as closely related to the economic characteristics and risks of the host debt instrument.

On initial recognition, IFRS 9 requires entities to calculate the fair value of the embedded derivative first with the residual value being assigned to the host financial liability (IFRS 9.B4.3.3).

When there are multiple embedded derivatives in a convertible note, they are treated as a single compound embedded derivative unless they relate to different risks exposures and are independent of each other (IFRS 9.B4.3.4).

Financial liabilities are initially measured at fair value. In the case of financial instruments in the FLAC category, directly attributable **transaction costs** must also be taken into account. Directly attributable transaction costs are the directly attributable costs incurred in connection with the issue that would not have been incurred if the issue had not taken place.

An embedded option-based derivative (such as an embedded put, call, cap, floor or swaption) is separated from its host contract on the basis of the stated terms of the option feature. The initial carrying amount of the host instrument is the residual amount after separating the embedded derivative (IFRS 9.B4.3.3).

Directly attributable transaction costs are attributable to the book value of the debt components of the financial instrument at the time of initial recognition. In subsequent measurement, the debt component of the compound financial instrument is measured at amortized cost using the effective interest method.

The conversion feature of the compound financial instrument, which is classified as an embedded derivative, is subsequently measured at fair value through profit or loss.

Interest in connection with the financial liability is recognized in profit or loss. When converted at the due date, the financial liability is converted to equity without affecting profit or loss.

3.14 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprises cash on hand and cash at banks.

3.15 Short-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

3.16 Provisions and contingent liabilities

A provision is recognized when a liability to third parties has been incurred, an outflow of resources is probable and the amount of the obligation can be reasonably estimated. The amount recognized as a provision

represents the best estimate of the obligation at the reporting date. Provisions with an original maturity of more than one year are discounted to the present value of the expenditures expected to settle the obligation at the end of the reporting period. If the criteria of the regulations on recognition and measurement of provisions are not fulfilled and the possibility of a cash outflow upon settlement is not unlikely, the item is to be presented as a contingent liability, insofar as it is adequately measurable. The amount disclosed as a contingent liability represents the best estimate of the possible obligation at the reporting date. Provisions and contingent liabilities are regularly reviewed and adjusted as further information becomes available or circumstances change.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.17 Share-based payments

The fair value of the amount payable to employees in respect of stock appreciation rights (SAR) and virtual option plan, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SAR and Virtual Option Plan. Any changes in the liabilities are recognized in profit or loss.

3.18 Government grants

Grants that compensate the Group for expenses incurred are recognized in profit or loss as other income on a systematic basis in the periods in which the expenses are recognized, unless the conditions for receiving the grant are met after the related expenses have been recognized. In this case, the grant is recognized when it becomes receivable.

The amounts were received in connection with COVID-19 government grants.

4 New and revised IFRS Standards

At the date of authorization of these financial statements, BigRep has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

Effective date	New standards or amendments
January 1, 2024	Amendments to IAS 1 Presentation of Financial Statements: <ul style="list-style-type: none"> • Classification of Liabilities as Current or Non-current Date • Classification of Liabilities as Current or Non-current—Deferral of Effective Date • Non-current Liabilities with Covenants
	Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback
January 1, 2023	IFRS 17 Insurance Contracts; including Amendments to IFRS 17
	Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9—Comparative Information
	Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
	Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies
	Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
	Amendments to IAS 12 Income taxes: International Tax Reform—Pillar Two Model Rules

The following standards have been issued but not yet endorsed by the European Union:

IASB effective date	New standards or amendments
January 1, 2027	IFRS 18 Presentation and Disclosure in Financial Statements
January 1, 2025	Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability
January 1, 2024	Amendment to IAS 7 and IFRS 7: Supplier Finance Arrangements

As Management of BigRep does not expect that the adoption of the above listed Standards, with the exception of IFRS 18, will have a material impact on the financial statements of BigRep in future periods, no further explanations to these standards will be given.

IFRS 18 will have an impact on the presentation and disclosures in BigRep's consolidated financial statements. The effects and necessary adjustments are currently being analyzed.

5 Critical accounting judgements and key sources of estimation uncertainty

In applying BigRep's accounting policies, which are described in Note 3—Significant accounting policies, the management is required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. BigRep bases its assumptions and estimates on parameters available at each reporting date. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of BigRep. Such changes are reflected in the assumptions when they occur.

Useful lives of property, plant, and equipment, intangible and right-of-use assets (Notes 3.7, 3.8 and 3.10)

The expected useful lives for property, plant and equipment and intangible assets, and the associated amortization or depreciation expenses are determined on the basis of the expectations and assessments of management. If the actual useful life is less than the expected useful life, the amount of depreciation or amortization is adjusted accordingly. As part of the determination of impairment losses on fixed assets, estimates relating to the reason, timing and amount of the impairments are also made. Useful lives are reassessed on a regular basis.

Development costs (Note 10.1)

BigRep capitalizes costs for internally generated intangible assets arising from development (this is essentially the case for software applications and product development). Initial capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a software development project has reached a defined milestone according to an established project management model.

Furthermore, impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the BigRep is not yet committed to or significant future investments that will enhance the performance of the assets being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to intangibles recognized by BigRep.

Leases (Note 10.3)

Right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease (initial measurement).

Significant accounting assumptions are required for the determination of the appropriate incremental borrowing rate, which is to be used in the calculation of the asset and liability that are recognized in the financial statements regarding the lease contracts.

Furthermore, significant judgement is also required regarding the evaluation and appropriate treatment of the extension and / or termination options included in the lease contracts of BigRep.

Taxes (Note 10.5)

Deferred tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, tax loss carryforwards and tax credits can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning opportunities.

BigRep assesses the recoverability of deferred tax assets at each balance sheet date on the basis of planned taxable income in future fiscal years; if it is assumed that future tax benefits cannot be utilized, a valuation allowance is made on the deferred tax assets.

Provisions (Note 10.7)

Provisions are recognized for various circumstances as part of ordinary operating activities. The amount of the anticipated cash outflows is determined on the basis of assumptions and estimates for each specific circumstance. These assumptions may be subject to changes, which lead to a deviation in future periods.

Share-based payments (Note 10.8)

The company has implemented a SAR and Virtual Option Plan aimed at achieving the alignment of interests between investors and key management personnel. Note 10.8—Share-based payments contains information about the estimated valuation parameters used in the valuation model to determine the resulting expenses.

6 Segment information

6.1 Basis for segmentation

BigRep offers holistic solutions in the field of 3D printing. With its two 100% subsidiaries in the United States and Singapore, BigRep's distribution channel extends around the global market. The Group offers various 3D printers, materials and spare parts, printing services as well as transportation & other services to its customers. According to IFRS 8, a business segment is a part of the company that generates revenues and in which expenses can be incurred. It is also a prerequisite that the operating results are regularly reviewed by the responsible corporate body with regard to decisions on the allocation of resources to this segment and the assessment of its earning power. In addition, separate financial information and regular segment management must be available.

The main decisions regarding business activities are made by management. The Chief Operating Decision Maker (CODM) are the company's Managing Directors Reinhard Festag and Sven Thate. The Management of BigRep reviews the internal management report at least on a monthly basis.

The basis for the assessment of the company results and the allocation of resources are group-wide indicators and not indicators for separate areas, product groups, services or customer groups. Thus, the company is internally steered and controlled by the means of its most important key performance indicator (KPI), revenue. Separate financial information as required by IFRS 8 is not available for each above-mentioned product category. Apart from sales revenues and cost of goods sold as well as fixed and variable costs are not shown separately for each category or geographical market, and gross margin and EBITDA are only determined at group level.

Therefore, BigRep can be characterized as a one-segment company.

6.2 Segment information

In accordance with IFRS 8 information on profit and loss, assets and liabilities as well as the items in the income statement (in particular sales, interest income and expenses, depreciation, taxes, etc.) must be disclosed for each identified segment. Against the background of the classification of BigRep as a one-segment company, this presentation is redundant for segment-specific information since the corresponding information is already shown in the balance sheet and income statement. It can therefore be referred to the consolidated statements of financial position as well as the consolidated statements of total comprehensive income.

Revenue by geographical areas

BigRep is located in Germany, the USA and Singapore. With these three locations, the distribution channel of the Group extends around the global market, offering its products and services in over 40 countries.

BigRep GmbH (Germany) is responsible for distribution and shipment for the region Europe, Middle East, Africa (“EMEA”) as well as APAC. BigRep Inc. (USA) is the responsible entity for distribution and shipment for the region North America (“NA”). BigRep Private Ltd. (Singapore) serves as a sales office for the German entity for the region Asia-Pacific (“APAC”).

Therefore the allocation of revenues to geographical areas is based on the country of domicile of the respective entities within the Group. External revenues of BigRep are attributable to the following countries:

<i>in EUR thousand</i>	<u>2022</u>	<u>2021</u>
Germany	4,519	4,468
USA	4,543	3,031
Singapore ⁽¹⁾	<u>0</u>	<u>0</u>
Total	<u>9,062</u>	<u>7,499</u>

(1) Due to the nature as Sales Office the external revenue is booked in the BigRep GmbH (Germany)

For further disclosures of Group’s revenues from its main product lines please see Note 7.1—Disaggregated revenue information.

Non-current assets by geographical areas

The total of non-current assets other than financial instruments and deferred tax assets, broken down by location of the assets, is shown in the following table:

<i>in EUR thousand</i>	<u>31 December 2022</u>	<u>31 December 2021</u>	<u>1 January 2021</u>
Germany	4,054	4,397	5,101
USA	196	292	423
Singapore	<u>76</u>	<u>115</u>	<u>149</u>
Total	<u>4,326</u>	<u>4,804</u>	<u>5,673</u>

Information about major customers

In the financial years presented, the Group did not generate revenues with a single customer that exceeded ten percent of the overall revenues in the respective period.

7 Revenue from contracts with customers

7.1 Disaggregated revenue information

BigRep views its products and services offered to be appropriate categories in disclosing the disaggregated revenues. The following table provides information about the disaggregated revenue by product or service:

<i>in EUR thousand</i>	<u>2022</u>	<u>2021</u>
Printers	5,927	5,665
Materials and spare parts	2,617	1,562
Printing services	296	145
Transportation & other services	<u>222</u>	<u>127</u>
Total	<u>9,062</u>	<u>7,499</u>

For further disclosures of Group’s revenues by geographical areas please refer to Note 6.2—Segment information.

7.2 Contract balances

The following table provides information about contract assets and contract liabilities from contracts with customers.

<i>in EUR thousand</i>	<u>31 December 2022</u>	<u>31 December 2021</u>	<u>1 January 2021</u>
Contract assets	—	—	—
Contract liabilities	<u>541</u>	<u>404</u>	<u>297</u>
Total	<u>(541)</u>	<u>(404)</u>	<u>(297)</u>

Contract liabilities primarily relate to advance payments received from customers for the 3D printers as well as for warranty extensions and maintenance services for which revenue is recognized over the service period.

The amount of EUR 404 thousand included in contract liabilities at 31 December 2021 has been recognized as revenue in 2022 (2021: EUR 297 thousand). BigRep expects to recognize the contract liabilities of EUR 541 thousand as of 31 December 2022 as revenue in the financial year 2023.

7.3 Performance obligations

For the accounting policy regarding performance obligations and revenue recognition policies see Note 3.6—Revenue from contracts with customers.

8 Income and expenses

8.1 Other income

<i>in EUR thousand</i>	<u>2022</u>	<u>2021</u>
Government grants	1,211	—
Income from foreign currency translation	587	420
Income from reduction of liabilities	206	—
Other sundry income	<u>403</u>	<u>130</u>
Total other income	<u>2,407</u>	<u>550</u>

The amounts shown as government grants were received in connection with COVID-19 government grants.

8.2 Cost of materials

<i>in EUR thousand</i>	<u>2022</u>	<u>2021</u>
Cost of purchased goods	4,356	4,325
Cost for raw materials, consumables and supplies	101	28
Cost for purchased services	<u>18</u>	<u>37</u>
Total	<u>4,475</u>	<u>4,390</u>

8.3 Personnel expenses

<i>in EUR thousand</i>	<u>2022</u>	<u>2021</u>
Wages and salaries	5,828	5,612
Social security contributions	644	642
Defined contribution plan	<u>422</u>	<u>388</u>
Total	<u>6,894</u>	<u>6,642</u>

Defined contribution plan mainly comprises employer contributions to the German pension insurance.

8.4 Other expenses

<i>in EUR thousand</i>	<u>2022</u>	<u>2021</u>
Freight and handling expenses	889	552
Legal and consulting fees	488	407
Advertising expenses	477	219
Third-party service expenses	426	354
Currency exchange expenses	245	133
Software license expenses	211	227
Traveling expenses	191	109
Rent and room expenses	304	285
Insurance expenses	69	62
Other sundry expenses	654	455
Total other operating expenses	<u>3,954</u>	<u>2,803</u>

8.5 Finance income and finance costs

<i>in EUR thousand</i>	<u>2022</u>	<u>2021</u>
Finance income		
Other interest and similar income	—	—
Total finance income	<u>—</u>	<u>—</u>

<i>in EUR thousand</i>	<u>2022</u>	<u>2021</u>
Finance costs		
Interest expenses from loans	64	36
Interest expenses from shareholder loan	3	—
Interest expenses from lease liabilities	93	117
Other interest and similar expenses	1	5
Total finance costs	<u>161</u>	<u>158</u>
Finance result	<u>(161)</u>	<u>(158)</u>

8.6 Income tax

The major components of income tax expense for the years ended December 31, 2022 and 2021 are:

<i>in EUR thousand</i>	<u>2022</u>	<u>2021</u>
Current income tax		
Current income tax charge	(1)	—
Total current tax expense	<u>(1)</u>	<u>—</u>
Deferred Taxes		
Origination and reversal of temporary differences	(151)	108
Recognition of previously unrecognized tax losses	21	(132)
Total deferred taxes	<u>(130)</u>	<u>(24)</u>
Income tax expense reported in the statement of profit and loss	<u>(131)</u>	<u>(24)</u>

Reconciliation of tax expense and the accounting profit multiplied by BigRep's tax rate for 2022 and 2021:

<i>in EUR thousand</i>	<u>2022</u>	<u>2021</u>
Profit / Loss before tax	(4,832)	(7,105)
At BigRep statutory tax rate of 30.18%	1,458	2,144
Effect of different tax rates	(2)	—
<i>Tax effect of</i>		
–Non-deductible differences/tax free income	(6)	(17)
–Current-year losses for which no deferred tax asset is recognized	(1,478)	(2,171)
–Other effects	(103)	20
Income taxes	<u>(131)</u>	<u>(24)</u>

The rate of assessment for the trade tax of the city of Berlin amounts to 410% on the tax base of 3.5%. This resulted in a trade tax rate of 14.35% and a total income tax rate of 30.18% (2021: 32.8%) for BigRep GmbH, including corporation tax of 15% and a solidarity surcharge of 5.5% onto corporation tax.

Further explanations on deferred taxes are included in Note 10.5—Deferred tax.

9 Financial assets and liabilities

This Note provides information about BigRep's financial instruments, including:

- an overview of all financial instruments held by BigRep
- specific information about each type of financial instrument

Financial assets at amortized cost

<i>in EUR thousand</i>	<u>31 December 2022</u>	<u>31 December 2021</u>	<u>1 January 2021</u>
Trade receivables	1,745	1,054	730
Cash and cash equivalents	1,777	2,458	623
Deposits	151	137	129
Other financial assets	7	15	21
Total	<u>3,680</u>	<u>3,664</u>	<u>1,503</u>
Total current	3,529	3,527	1,373
Total non-current	151	138	129

Financial assets at fair value through profit or loss

<i>in EUR thousand</i>	<u>31 December 2022</u>	<u>31 December 2021</u>	<u>1 January 2021</u>
Derivate financial assets	—	—	5

Financial liabilities at amortized cost

<i>in EUR thousand</i>	<u>31 December 2022</u>	<u>31 December 2021</u>	<u>1 January 2021</u>
Trade payables	1,148	874	1,592
Lease liabilities	845	1,206	1,417
Loans and borrowings	800	800	123
Liabilities towards shareholders	1,816	—	1,006
Other financial liabilities	148	167	308
Total	<u>4,757</u>	<u>3,047</u>	<u>4,446</u>
Total current	3,599	1,438	3,177
Total non-current	1,158	1,609	1,269

Financial liabilities at fair value through profit or loss

<i>in EUR thousand</i>	<u>31 December 2022</u>	<u>31 December 2021</u>	<u>1 January 2021</u>
Derivate financial liabilities	47	—	—

BigRep's exposure to various risks associated with the financial instruments is discussed in Note 12—Financial risk management and financial instruments. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

For further information regarding leases and lease liabilities see note 10.3 Leases.

9.1 Trade receivables

<i>In EUR thousand</i>	<u>31 December 2022</u>	<u>31 December 2021</u>	<u>1 January 2021</u>
Trade receivables	1,819	1,108	816
Impairment	<u>(74)</u>	<u>(54)</u>	<u>(86)</u>
Total	<u>1,745</u>	<u>1,054</u>	<u>730</u>

Trade receivables are non-interest bearing and are generally short-term. For more detailed information regarding measurement of trade receivable refer to Note 12—Financial risk management and financial instruments.

9.2 Deposits and other financial assets

<i>in EUR thousand</i>	<u>31 December 2022</u>	<u>31 December 2021</u>	<u>1 January 2021</u>
Receivables from related parties	—	—	—
Receivables from shareholders	—	—	—
Deposits	151	137	129
Other financial assets	<u>7</u>	<u>15</u>	<u>26</u>
Total	<u>158</u>	<u>152</u>	<u>155</u>
Total current	7	15	25
Total non-current	151	137	130

Other non-current financial assets mainly comprise deposits to third parties.

9.3 Cash and cash equivalents

<i>in EUR thousand</i>	<u>31 December 2022</u>	<u>31 December 2021</u>	<u>1 January 2021</u>
Cash equivalents	<u>1,777</u>	<u>2,458</u>	<u>623</u>
Total	<u>1,777</u>	<u>2,458</u>	<u>623</u>

BigRep did not recognize any credit impairment losses on cash as the credit risk on cash measured at amortized cost is insignificant due to main counterparties exclusively operating under European financial regulation.

9.4 Liabilities to banks, shareholders and other financial liabilities

<i>in EUR thousand</i>	<u>31 December 2022</u>	<u>31 December 2021</u>	<u>1 January 2021</u>
Liabilities to banks	800	800	123
Liabilities to shareholders	1,816	—	1,006
Other financial liabilities	<u>195</u>	<u>167</u>	<u>308</u>
Total	<u>2,811</u>	<u>967</u>	<u>1,437</u>
Total current	2,011	161	1,392
Total non-current	800	806	45

The financial liabilities comprise a loan agreement from IBB with an interest rate of 8.0%, as well as shareholder loans with fixed interest rates of 1.5% and 3.0%.

9.5 Trade payables

<i>in EUR thousand</i>	<u>31 December 2022</u>	<u>31 December 2021</u>	<u>1 January 2021</u>
Trade Payables	<u>1,148</u>	<u>874</u>	<u>1,592</u>
Total	<u>1,148</u>	<u>874</u>	<u>1,592</u>

Trade payables are non-interest bearing and are due within one year.

For explanations on BigRep's liquidity risk management processes, refer to Note 12.4—Liquidity risk. For this reason, the calculation of the expected credit loss is limited to the 12-month credit loss. Financial assets are considered by management to have a low credit risk if the risk of non-performance is low, and the counterparty is at any time able to meet its contractual obligations at short notice. No significant impairment losses could be inferred for these line items based on the impairment provisions of the expected credit loss model for the reporting dates presented in these annual financial statements.

10 Non-financial assets and liabilities

10.1 Intangible assets

Reconciliation of carrying amount

<i>in EUR thousand</i>	<u>Internally generated intangible asset</u>	<u>Concessions, licenses and similar rights</u>	<u>Total</u>
Acquisition costs			
As of January 1, 2021	4,930	526	5,456
Additions			
Internally developed	1,826	—	1,826
Purchases	—	101	101
As of December 31, 2021	<u>6,756</u>	<u>627</u>	<u>7,383</u>
As of January 1, 2022	6,756	627	7,383
Additions			
Internally developed	1,746	—	1,746
Purchases	—	3	3
As of December 31, 2022	<u>8,501</u>	<u>630</u>	<u>9,131</u>

<i>in EUR thousand</i>	<u>Internally generated intangible asset</u>	<u>Concessions, licenses and similar rights</u>	<u>Total</u>
Accumulated amortization and impairment losses			
As of January 1, 2021	2,197	340	2,537
Amortization	1,083	142	1,225
Impairment loss	726	—	726
As of December 31, 2021	<u>4,006</u>	<u>482</u>	<u>4,488</u>
As of January 1, 2022	4,006	482	4,488
Amortization	1,615	63	1,678
As of December 31, 2022	<u>5,621</u>	<u>545</u>	<u>6,166</u>

<i>in EUR thousand</i>	<u>Internally generated intangible asset</u>	<u>Concessions, licenses and similar rights</u>	<u>Total</u>
Carrying Amount			
As of January 1, 2021	2,733	186	2,919
As of December 31, 2021	<u>2,750</u>	<u>145</u>	<u>2,895</u>
As of December 31, 2022	<u>2,881</u>	<u>84</u>	<u>2,965</u>

Research and development

BigRep's research and development costs consist primarily of employee salaries and employee-related personnel costs. Expenditures for research and development that does not fulfill the requirements for capitalization are expensed as incurred with the amount of EUR 806 thousand for reporting year 2022 (2021: EUR 517 thousand).

Impairment

An impairment loss of EUR 726 thousand on internally generated intangible assets was recognized in amortization expenses in the statements of total comprehensive income in fiscal year 2021 since it was not expected that the product would be launched on the market in the near future.

10.2 Property, plant and equipment

Reconciliation of carrying amount

<i>in EUR thousand</i>	<u>Land and buildings</u>	<u>Technical equipment and machinery</u>	<u>Other equipment, operating and office equipment</u>	<u>Total</u>
Cost				
As of January 1, 2021	138	2,016	742	2,896
Additions	—	68	39	107
Disposals	—	(332)	(63)	(395)
Effect of movements in exchange rates	—	25	3	28
As of December 31, 2021	138	1,777	721	2,636
As of January 1, 2022	138	1,777	721	2,636
Additions	13	168	108	288
Disposals	—	(167)	(35)	(202)
Effect of movements in exchange rates	—	15	2	17
As of December 31, 2022	151	1,792	796	2,739
Cumulative depreciation and impairment losses				
As of January 1, 2021	70	1,029	459	1,558
Depreciation	14	471	149	635
Disposals	—	(275)	(60)	(335)
Effect of movements in exchange rates	—	12	1	14
As of December 31, 2021	84	1,238	549	1,871
As of January 1, 2022	84	1,238	549	1,871
Depreciation	17	319	110	446
Disposals	—	(150)	(34)	(183)
Effect of movements in exchange rates	—	4	1	5
As of December 31, 2022	101	1,411	627	2,139
Carrying amount				
As of January 1, 2021	69	987	283	1,338
As of December 31, 2021	54	539	171	765
As of December 31, 2022	50	381	168	600

10.3 Leases

10.3.1 Amounts recognized on the statement of financial position

Right-of-use assets

<i>in EUR thousand</i>	<u>31 December 2022</u>	<u>31 December 2021</u>	<u>1 January 2021</u>
Real estate	717	1,127	1,417
Vehicles and equipment	<u>44</u>	<u>17</u>	<u>—</u>
Total	<u>761</u>	<u>1,144</u>	<u>1,417</u>

Additions and disposals to right-of-use assets

<i>in EUR thousand</i>	<u>2022</u>	<u>2021</u>
Additions	<u>38</u>	<u>103</u>
Disposals	<u>—</u>	<u>—</u>

Lease liability

<i>in EUR thousand</i>	<u>31 December 2022</u>	<u>31 December 2021</u>	<u>1 January 2021</u>
Current	487	404	316
Non-current	<u>358</u>	<u>802</u>	<u>1,101</u>
Total	<u>845</u>	<u>1,206</u>	<u>1,417</u>

10.3.2 Amounts recognized in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

Depreciation charge of right-of-use assets

<i>in EUR thousand</i>	<u>2022</u>	<u>2021</u>
Real estate	427	399
Vehicles and equipment	<u>11</u>	<u>3</u>
Total depreciation charge	<u>438</u>	<u>402</u>
Interest on lease liabilities	<u>93</u>	<u>117</u>
Expense relating to short-term leases	<u>9</u>	<u>9</u>
Expense relating to leases of low-value assets that are not shown above as short-term leases	<u>2</u>	<u>2</u>
Total amounts recognized in profit or loss	<u>542</u>	<u>530</u>

Cash outflow for leases

<i>in EUR thousand</i>	<u>2022</u>	<u>2021</u>
Cash outflow for leases	<u>512</u>	<u>457</u>
Cash outflow for short-term leases	<u>9</u>	<u>9</u>
Cash outflow for low-value assets	<u>2</u>	<u>2</u>
Total	<u>523</u>	<u>468</u>

The maturity analysis of future cash flows is disclosed in Note 12.4—Liquidity risk.

10.4 Inventories

The reported inventories are comprised as follows:

<i>in EUR thousand</i>	31 December 2022	31 December 2021	1 January 2021
Finished goods and merchandise	2,297	1,755	1,696
Total inventories	<u>2,297</u>	<u>1,755</u>	<u>1,696</u>

Inventories recognized as an expense during the year ended December 31, 2022 amounted to EUR 4,475 thousand (2021: EUR 4,289 thousand).

In addition, there are no allowances for inventories for the year ended December 31, 2022. Allowance for inventories recognized as an expense during the year ended December 31, 2021 amounted to EUR 101 thousand. These were included in cost of materials.

10.5 Deferred tax

Movement in deferred taxes balances relate to the following:

<i>in EUR thousand</i>	As of December 31, 2022					
	Net balance at 1 January	Recognized in profit or loss	Recognized directly in equity	Net balance at 31 December	Deferred tax assets	Deferred tax liabilities
Intangible assets	(860)	(9)		(869)	—	(869)
Property, plant and equipment	(4)	4		—	—	—
Right-of-use assets	(315)	106		(209)	—	(209)
Inventories	30	(30)		—	—	—
Trade receivables	7	(7)		—	—	—
Tax losses carried forward	482	21	114	617	617	—
Trade payables	(1)	1		—	—	—
Lease liabilities	332	(101)		231	231	—
Stock appreciation rights	324	(88)		236	236	—
Provisions	3	(3)		—	—	—
Other financial liabilities	7	(8)		(1)	14	(15)
Other liabilities	16	(16)		—	—	—
Tax assets (liabilities) before set off	<u>21</u>	<u>(130)</u>	<u>114</u>	<u>5</u>	<u>1,098</u>	<u>(1,093)</u>
Set-off of tax	—	—	—	—	<u>(1,093)</u>	<u>1,093</u>
Net deferred taxes	—	—	—	—	<u>5</u>	—

As of December 31, 2021

<i>in EUR thousand</i>	Net balance at 1 January	Recognized in profit or loss	Recognized directly in equity	Net balance at 31 December	Deferred tax assets	Deferred tax liabilities
Intangible assets	(824)	(36)		(860)	—	(860)
Property, plant and equipment . .	(8)	4		(4)	—	(4)
Right-of-use assets	(390)	75		(315)	—	(315)
Inventories	—	30		30	30	—
Trade receivables	2	5		7	7	—
Other financial assets	(2)	2		—	—	—
Other assets	(10)	10		—	—	—
Tax losses carried forward	599	(132)	15	482	482	—
Trade payables	—			(1)	—	(1)
Lease liabilities	390	(58)		332	332	—
Stock appreciation rights	243	81		324	324	—
Provisions	5	(2)		3	3	—
Other financial liabilities	14	(7)		7	7	—
Other liabilities	12	4	—	16	16	—
Tax assets (liabilities) before set off	31	(24)	15	21	1,201	(1,180)
Set-off of tax	—	—	—	—	(1,180)	1,180
Net deferred taxes	—	—	—	—	21	—

The amount of change of deferred tax assets from the tax losses carried forward presented in the column recognized directly in equity refers to the transaction costs for the issue of new equity which were recognized directly within capital reserves. For further details refer to Note 11—Equity.

Tax losses carried forward

The following tax losses which have no expiry date are available at reporting date:

<i>in EUR thousand</i>	31 December 2022	31 December 2021	1 January 2021
Corporate income tax	51,091	45,037	38,012
Municipal trade tax	50,909	44,894	37,891
Tax losses carried forward	102,000	89,931	75,903

As of December 31, 2022, tax losses carried forward for which deferred tax assets were recognized amount to EUR 2,044 thousand (31.12.2021: EUR 1,599 thousand, 01.01.2021: EUR 1,986 thousand).

As of December 31, 2022, tax losses carried forward for which no deferred tax assets were recognized amount to EUR 99,956 thousand (31.12.2021: EUR 88,332 thousand, 01.01.2021: EUR 73,917 thousand).

10.6 Employee benefit obligations

<i>in EUR thousand</i>	31 December 2022	31 December 2021	1 January 2021
Accrued vacations	151	111	171
Other employee benefits	252	201	83
Total	403	311	254
current	403	311	254
non-current	—	—	—

10.7 Provisions

<i>in EUR thousand</i>	Provision for warranties	Other provisions	Total
<i>As of January 1, 2021</i>	163	12	175
Arising during the year	180	12	192
Utilized	(163)	(12)	(175)
As of December 31, 2021	180	12	192
Current	180	12	192
Non-current	—	—	—
<i>in EUR thousand</i>	Provision for warranties	Other provisions	Total
<i>As of January 1, 2022</i>	180	12	192
Arising during the year	141	12	153
Utilized	(180)	(12)	(192)
As of December 31, 2022	141	12	153
Current	141	12	153
Non-current	—	—	—

The Group expects to settle most of the provision in the upcoming financial year. There are no significant uncertainties regarding the amount or timing of settlement of the provisions.

Provision for warranties

Warranty provisions are formed based on the guaranteed turnover. The provisions were determined on the basis of historical experience and are regularly reviewed and updated.

10.8 Share-based payments

10.8.1 Description of share-based payment arrangements for share option programs (cash-settled)

At 31 December 2022, the Group had the following share-based payment arrangements:

On 14 April 2015 and 05 October 2017, the Group granted for the first time a SAR and a Virtual Option Plan that entitle key management personnel and further employees to a cash payment related to the value of the equity instruments only in case of an exit event. These programs are not limited to key management personnel. The programs essentially comprise members of key management personnel, but also entitle other Group employees who are selected to participate.

The key terms and conditions related to the grants under these programs are as follows; all options are to be cash settled. The exercise price for all options granted under the two plans is EUR 0.

<u>Grant date/employees entitled</u>	<u>Number of instruments in thousands</u>	<u>Vesting conditions</u>	<u>Contractual life of options</u>
On 12 May 2015	1.5	A two-year service period. Payment only in case of an exit event.	infinite
On 11 September 2015	1.9		
On 14 January 2016	0.2		
On 08 March 2016	0.1		
On 06 October 2016	0.6		
On 18 May 2017	2.1		
On 05 July 2017	1.7	A four-year service period. Payment only in case of an exit event.	Ten years
On 15 August 2017	4.5		
On 06 December 2017	0.5		
On 01 March 2018	0.8		
On 14 April 2018	0.3		
On 15 October 2018	2.3		
On 01 January 2019	1.9		

<u>Grant date/employees entitled</u>	<u>Number of instruments in thousands</u>	<u>Vesting conditions</u>	<u>Contractual life of options</u>
On 04 June 2019	1.7		
On 31 July 2019	4.0		
On 01 October 2019	1.5		
On 01 January 2020	1.3		
On 01 September 2020	24.0		
On 31 March 2021	0.3		
On 01 April 2021	0.8		
On 01 July 2021	7.8		
On 01 September 2021	9.0		
On 01 October 2021	1.0		
On 01 January 2022	1.8		
On 31 March 2022	2.2		
On 18 July 2022	3.2		
Total share options	<u>77.0</u>		

10.8.2 Measurement of fair values for share option programs (cash-settled)

The fair value of the stock options is determined using a Monte Carlo model. The inputs used in the measurement of the fair values at grant date of the cash-settled share based payment plans were as follows:

	<u>Share option programs</u>		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Fair value at reporting date (in EUR thousand)	782	1,074	806
Weighted average of the fair values of options granted in the reporting period (in EUR)	12.86	24.76	30.46
Exercise price (in EUR)	—	—	—
Expected volatility (weighted average)	56.6%	62.1%	57.5%
Expected life (weighted average in years)	1.0	3.0	5.0
Expected dividends (in EUR)	—	—	—
Risk-free interest rate (based on government bonds)	2.56%	-0.66%	-0.74%

Expected volatility has been based on an evaluation of the historical volatility of the Company's peer group, particularly over the historical period commensurate with the expected term.

The total amount of EUR 268 thousand was recognized as personnel expenses for share-based payments in 2021. In 2022, an amount of EUR 293 thousand was recognized in other income from the decline in fair value.

Developments of SAR and Virtual Option Plan are shown below:

	<u>2022</u>	<u>2021</u>
	<u>Number of options in thousands</u>	<u>Number of options in thousands</u>
Outstanding at 1 January	69.8	50.9
Forfeited during the year	1.9	4.3
Exercised during the year	—	—
Granted during the year	9.1	23.2
Outstanding at 31 December	<u>77.0</u>	<u>69.8</u>
Exercisable at 31 December	<u>—</u>	<u>—</u>

10.9 Other assets

Other assets are composed as follows:

<i>in EUR thousand</i>	31 December 2022	31 December 2021	1 January 2021
Other tax assets	81	246	505
Other assets	<u>96</u>	<u>173</u>	<u>154</u>
Total	<u>177</u>	<u>418</u>	<u>660</u>
current	177	418	660
non-current	<u>—</u>	<u>—</u>	<u>—</u>

10.10 Other liabilities

Other liabilities are composed as follows:

<i>in EUR thousand</i>	31 December 2022	31 December 2021	1 January 2021
Other tax liabilities	<u>71</u>	<u>72</u>	<u>124</u>
Share-based payment liabilities	<u>782</u>	<u>1,074</u>	<u>806</u>
Other liabilities	<u>28</u>	<u>42</u>	<u>43</u>
Total	<u>881</u>	<u>1,188</u>	<u>973</u>
current	881	113	167
non-current	<u>0</u>	<u>1,075</u>	<u>806</u>

11 Equity

The changes in equity of BigRep are shown in the consolidated statement of changes in equity for the financial years 2021 and 2022.

Share capital

As of December 31, 2022, the share capital of BigRep amounts to EUR 583 thousand, as of December 31, 2021 EUR 537 thousand and January 1, 2021 EUR 413 thousand.

Share capital increased in 2021 by EUR 124 thousand through the conversion of shareholder loans into equity as well as through three capital increases and financing rounds. Within 2022 two further capital increases occurred, which increased share capital by EUR 46 thousand.

Share premium

The share premium consists of the equity components exceeding the nominal value of the shares issued as well as additional payments in equity.

As of December 31, 2022, the share premium of BigRep amounts to EUR 53,665 thousand, as of December 31, 2021 EUR 50,474 thousand and January 1, 2021 EUR 41,201 thousand.

Share premium in 2021 increased through the conversion of shareholder loans into equity as well as through three capital increases and financing rounds. Within 2022 two further capital increases occurred, which increased share capital by EUR 3,454 thousand.

In connection with capital increases, the company incurred costs for the issue of new shares. These costs include, among others, legal consulting fees and bank charges. These costs were deducted from equity (capital reserve) on a net of tax basis.

An amount of EUR 377 thousand and a tax effect of EUR 114 thousand was deducted from the capital reserve as of December 31, 2022. As of December 31, 2021, costs in connection with capital increases in the amount of EUR 81 thousand with a tax effect of EUR 24 thousand was deducted from share premium. As of January 1, 2021 an amount of EUR 1,672 thousand with a tax effect of EUR 505 thousand was deducted from share premium for transaction costs of prior capital increases.

Other reserves

The other reserves comprise all foreign currency differences arising from the translation of the financial statements of foreign operations. For further details, refer to Note 3.3—Foreign currency.

Retained earnings

The retained earnings comprise the effects of the transition to IFRS (please refer to Note 2—First time adoption of IFRS) as well as profit and losses attributable to shareholders, both current and accumulated.

12 Financial risk management and financial instruments

12.1 Capital management

The main capital management objectives of BigRep are to maintain and ensure a favorable capital structure for the continued financing of its growth plan and for the long-term management of its equity value. Capital management focuses on the reduction of cost of capital, the generation of cash and the active management of net working capital.

Management of BigRep reviews the total amount of cash regularly, typically on a daily basis. As part of this review, the management considers the total cash, the cash outflow and refinancing activities.

BigRep manages its capital structure on the basis of the key figures liabilities and the equity ratio (in %). An equity ratio greater than 40% is targeted. If necessary, BigRep makes adjustments to reflect changes in the economic situation. The objectives of BigRep's capital management were achieved in the reporting year. The equity ratio of the Group developed as follows:

<i>In EUR thousand</i>	<u>31 December 2022</u>	<u>31 December 2021</u>	<u>1 January 2021</u>
Total equity	3,786	5,814	3,770
Total assets	<u>10,568</u>	<u>10,955</u>	<u>9,915</u>
Equity ratio	<u>36%</u>	<u>53%</u>	<u>38%</u>

The Group is mainly financed by additional payments by shareholders via capital increases or convertible shareholder loans and a loan from a credit institution.

The main risks arising from BigRep's business activities are liquidity risk and credit risk. No concentration risk could be identified. Interest risk is deemed to be insignificant for BigRep since BigRep is not exposed to variable interest rates.

The Management reviews and agrees policies for managing these risks as summarized below.

12.2 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. The market risk can be divided into three types of risk: interest risk, currency risk and other price risk. Other price risks are not considered as risks for BigRep.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. BigRep has foreign operations mainly in the USA and is exposed to fluctuations in foreign exchange rates of the US Dollar. In this regard, there is a potential currency risk on December 31, 2022, however, the management does not consider this currency risk as significant, due to the fact that management can essentially counteract these potential risks through future price mechanisms.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

BigRep uses debt financing through a bank loan with contractually fixed interest rate to finance its assets as well as convertible shareholder loans with fixed interest. Thus, there are no interest rate risks associated with these cash flows.

12.3 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk comprises both the direct risk of default as well as the risk of decrease of creditworthiness. The concentration risk is avoided by a diversified customer base.

BigRep has the following types of financial assets, which are subject to credit risk:

1. Trade receivables
2. Other financial assets
3. Cash

The maximum credit risk in the event of counterparty default is limited to the respective carrying amounts of these financial instruments.

The Group regards a financial asset as defaulted if it is unlikely that the debtor will be able to pay its credit obligation in full to the entity without resorting to measures such as liquidation of collateral (if any is available).

BigRep assesses at each reporting date whether financial assets at amortized cost are credit-impaired. A financial asset is impaired if one or more events occur that have an adverse effect on the expected future cash flows of the financial asset.

Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the customer;
- a breach of contract, such as a default or past due event;
- restructuring of a loan or credit facility by the company that it would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for that financial asset because of financial difficulties.

The following table contains information on the estimated credit risk and expected credit losses for trade receivables measured at amortized cost. For the determination of the impairment rates, please refer to Note 3.13—Financial instruments.

<i>in EUR thousand</i>	<u>Weighted-average loss rate</u>	<u>Trade receivables (gross)</u>	<u>Loss allowance</u>
Current (not past due)	2%	838	(13)
1–30 days past due	1%	415	(6)
31–60 days past due	1%	360	(5)
61–90 days past due	0%	9	—
More than 90 days past due	25%	<u>197</u>	<u>(50)</u>
Total		<u>1,819</u>	<u>(74)</u>

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers as of December 31, 2021.

<i>in EUR thousand</i>	<u>Weighted-average loss rate</u>	<u>Trade receivables (gross)</u>	<u>Loss allowance</u>
Current (not past due)	1%	544	(8)
1–30 days past due	1%	226	(3)
31–90 days past due	0%	19	—
61–90 days past due	0%	26	—
More than 90 days past due	15%	<u>293</u>	<u>(43)</u>
Total		<u>1,108</u>	<u>(54)</u>

The following table provides information about the exposure to credit risk and ECLs for trade receivables from individual customers as of January 1, 2021.

<i>in EUR thousand</i>	<u>Weighted-average loss rate</u>	<u>Trade receivables (gross)</u>	<u>Loss allowance</u>
Current (not past due)	2%	286	(5)
1–30 days past due	2%	128	(3)
31–90 days past due	2%	41	(1)
61–90 days past due	0%	1	—
More than 90 days past due	21%	<u>360</u>	<u>(77)</u>
Total		<u>816</u>	<u>(86)</u>

<i>in EUR thousand</i>	<u>31 December 2022</u>	<u>31 December 2021</u>	<u>1 January 2021</u>
Trade receivables (gross)	1,819	1,108	816
Impairment	(74)	<u>(54)</u>	<u>(86)</u>
Trade receivables measured at amortized cost (net)	<u>1,745</u>	<u>1,054</u>	<u>730</u>
Loss rate	<u>4%</u>	<u>5%</u>	<u>11%</u>

The credit risk associated with financial transactions is managed centrally by the finance department. Within the scope of the risk management, counterparty risk is assessed and monitored consistently. BigReps objective is to minimize the risk of default.

An analysis of the ageing of receivables and the creditworthiness of customers is used to evaluate this risk at each reporting date.

The gross carrying amount of a financial asset is written-off if BigRep does not believe that all or part of the financial asset can be realized without undue costs and efforts.

For trade receivables measured at amortized cost BigRep additionally assesses at each reporting date, if there are indicators that imply that trade receivables need to be individually impaired or written-off.

All of BigRep’s other financial assets measured at amortized cost are considered to have low credit risk. For this reason, the calculation of the expected credit loss is limited to the 12-month credit loss. Financial assets are considered by management to have a low credit risk if the risk of non-performance is low, and the counterparty is at any time able to meet its contractual obligations at short notice. No significant impairment losses could be inferred for these line items based on the impairment provisions of the expected credit loss model for the reporting dates presented in these annual financial statements.

12.4 Liquidity risk

Liquidity risk is the risk that BigRep will not be able to meet its assumed financial liabilities when they fall due. Therefore, a key objective of liquidity risk management is to ensure that payment is possible at all times. Management continuously monitors the risk of liquidity shortages.

The liquidity risk management of BigRep ensures the availability of cash and bank balances for operational activities and further investments through appropriate budget planning.

Ultimately, the responsibility for liquidity risk management lies within the treasury department, which has established an appropriate approach to managing short-, medium- and long-term financing and liquidity requirements. BigRep manages liquidity risks by monitoring forecast and actual cash flows reconciling the maturity profiles of financial assets and liabilities on a monthly basis. Additionally, currently BigRep is essentially financed by additional payments of shareholders.

There are no available credit lines as of December 31, 2022, December 31, 2021 and January 1, 2021.

The maturity profile of BigRep's financial liabilities based on contractual undiscounted payments is summarized as follows:

As of December 31, 2022

<i>in EUR thousand</i>	<u>< 1 year</u>	<u>1 to 5 years</u>	<u>> 5 years</u>	<u>Total</u>	<u>Carrying amount</u>
Trade payables	1,148	—	—	1,148	1,148
Lease liabilities	538	372	—	910	845
Loans and borrowings	64	781	243	1,088	800
Liabilities towards shareholders	1,860	—	—	1,860	1,816
Other financial liabilities	195	—	—	195	195
Total	<u>3,805</u>	<u>1,153</u>	<u>243</u>	<u>5,201</u>	<u>4,804</u>

As of December 31, 2022, the other financial liabilities of EUR 195 thousand contain derivative financial liabilities amounting to EUR 47 thousand, which also have a maturity of less than one year.

As of December 31, 2021

<i>in EUR thousand</i>	<u>< 1 year</u>	<u>1 to 5 years</u>	<u>> 5 years</u>	<u>Total</u>	<u>Carrying amount</u>
Trade payables	874	—	—	874	874
Lease liabilities	503	896	—	1,399	1,206
Loans and borrowings	64	585	503	1,152	800
Liabilities towards shareholders	—	—	—	—	—
Other financial liabilities	161	6	—	167	167
Total	<u>1,602</u>	<u>1,487</u>	<u>503</u>	<u>3,592</u>	<u>3,047</u>

As at January 1, 2021

<i>in EUR thousand</i>	<u>< 1 year</u>	<u>1 to 5 years</u>	<u>> 5 years</u>	<u>Total</u>	<u>Carrying amount</u>
Trade payables	1,592	—	—	1,592	1,592
Lease liabilities	449	1,324	3	1,776	1,417
Loans and borrowings	123	—	—	123	123
Liabilities towards shareholders	1,006	—	—	1,006	1,006
Other financial liabilities	263	45	—	308	308
Total	<u>3,433</u>	<u>1,369</u>	<u>3</u>	<u>4,805</u>	<u>4,446</u>

12.5 Categories of financial instruments and fair values

In accordance with IFRS 9, the following tables visualize the carrying amounts, valuations and fair values of financial assets and liabilities for each individual category of financial instruments as well as their corresponding levels within the fair value hierarchy in accordance with IFRS 13.

As of December 31, 2022

<i>in EUR thousand</i>	Category IFRS 9*	Carrying amount	Amortized cost (AC)	Fair value through profit or loss (FVPL)	Fair value	Fair value level
Assets						
Cash and bank balances	FAAC	1,777	1,777	—	—	n/a
Trade receivables	FAAC	1,745	1,745	—	—	n/a
Other current financial assets	FAAC	7	7	—	7	2
Other non-current financial assets	FAAC	151	151	—	151	2
Liabilities						
Trade payables	FLAC	1,148	1,148	—	n/a	n/a
Financial liabilities—current						
Bank loans	FLAC	—	—	—	—	2
Lease liabilities	n/a	487	487	—	—	n/a
Shareholder loans	FLAC	1,816	1,816	—	1,816	2
Other current financial liabilities	FLAC	148	148	—	148	2
Derivative financial liabilities	FVTPL	47	—	47	47	2
Financial liabilities—non-current						
Bank loans	FLAC	800	800	—	707	2
Shareholder loans	FLAC	—	—	—	—	2
Lease liabilities	n/a	358	358	—	—	n/a
Other non-current financial liabilities	FLAC	—	—	—	—	2

As of December 31, 2021

<i>in EUR thousand</i>	Category IFRS 9*	Carrying amount	Amortized cost (AC)	Fair value through profit or loss (FVPL)	Fair value	Fair value level
Assets						
Cash and bank balances	FAAC	2,458	2,458	—	—	n/a
Trade receivables	FAAC	1,054	1,054	—	—	n/a
Other current financial assets	FAAC	—	—	—	—	2
Other non-current financial assets	FAAC	137	137	—	137	2
Liabilities						
Trade payables	FLAC	874	874	—	—	n/a
Financial liabilities—current						
Bank loans	FLAC	—	—	—	—	2
Lease liabilities	n/a	404	404	—	—	n/a
Shareholder loans	FLAC	—	—	—	—	2
Other current financial liabilities	FLAC	161	161	—	161	2
Financial liabilities—non-current						
Bank loans	FLAC	800	800	—	750	2
Shareholder loans	FLAC	—	—	—	—	2
Lease liabilities	n/a	802	802	—	—	n/a
Other non-current financial liabilities	FLAC	6	6	—	6	2

As of January 1, 2021

<i>in EUR thousand</i>	Category IFRS 9*	Carrying amount	Amortized cost (AC)	Fair value through profit or loss (FVPL)	Fair value	Fair value level
Assets						
Cash and bank balances	FAAC	623	623	—	—	n/a
Trade receivables	FAAC	730	730	—	—	n/a
Other current financial assets	FAAC					
Derivative financial assets	FVTPL	5	—	5	5	2
Sundry other financial assets	FAAC	20	20	—	20	2
Other non-current financial assets	FAAC	130	130	—	130	2
Liabilities						
Trade payables	FLAC	1,592	1,592	—	—	n/a
Financial liabilities—current						
Bank loans	FLAC	123	123	—	123	2
Lease liabilities	n/a	316	316	—	—	n/a
Shareholder loans	FLAC	1,006	1,006	—	1,006	2
Other current financial liabilities	FLAC	263	263	—	263	2
Financial liabilities—non-current						
Lease liabilities	n/a	1,101	1,101	—	—	n/a
Other non-current financial liabilities	FLAC	45	45	—	45	2

* FAAC = Financial assets at amortized costs; FLAC = Financial liabilities at amortized cost, FVTPL = Fair value through profit or loss

For details regarding current and non-current financial assets and other current and non-current financial liabilities please refer to Note 9.2—Other financial assets and Note 9.4—Financial liabilities. As all inputs are directly or indirectly observable, the instruments are assigned to level 2.

Fair values of cash and bank balances, trade receivables, current and non-current financial assets, trade payables, current loans and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The financial liabilities' fair value is calculated using a discounted cash flow model based on a discount rate derived from the risk-free market rate adjusted to reflect an appropriate credit risk premium. Premiums on corporate bonds with a similar rating to BigRep were utilized for the credit risk premium.

The following table provides an overview on net gains (losses) on financial instruments:

<i>in EUR thousand</i>	2022	2021
Financial assets amortized cost	(79)	(10)
Financial liabilities amortized cost	(166)	(153)
Financial assets at fair value through profit and loss	—	(5)
Financial liabilities at fair value through profit and loss	5	—
Total	(240)	(168)

Total interest expense calculated using the effective interest method amounts in 2022 to EUR 156 thousand (2021: EUR 163 thousand).

13 Notes to the consolidated statement of cash flows

The statement of cash flows shows cash flows broken down into cash inflows and outflows from operating, investing and financing activities, irrespective of the classification used in the statement of financial position.

Cash flow from operating activities is derived indirectly from profit or loss for the year. Profit or loss for the year is adjusted for non-cash expenses (mainly depreciation and amortization) and income. Taking into account the changes in working capital, the cash flow from operating activities is derived.

Investing activities mainly include additions and disposals to property, plant and equipment and intangible assets.

Financing activities include cash inflows resulting from the issue of share capital and share premium, loans received, repayments of financial and lease liabilities and the corresponding interest payments.

Changes in liabilities arising from financing activities

BigRep's financial liabilities have developed as follows:

<i>in EUR thousand</i>	<u>1 January 2022</u>	<u>Cash</u>	<u>Non-cash effective</u>	<u>31 December 2022</u>
Liabilities to banks	800	—	—	800
Liabilities to shareholders	—	1,860	(44)	1,816
Lease liabilities	<u>1,207</u>	<u>(419)</u>	<u>57</u>	<u>845</u>
Total liabilities arising from financing activities	<u>2,007</u>	<u>1,441</u>	<u>13</u>	<u>3,461</u>

<i>in EUR thousand</i>	<u>1 January 2021</u>	<u>Cash</u>	<u>Non-cash effective</u>	<u>31 December 2021</u>
Liabilities to banks	123	677	(0)	800
Liabilities to shareholders	1,006	—	(1,006)	—
Lease liabilities	<u>1,417</u>	<u>(340)</u>	<u>130</u>	<u>1,207</u>
Total liabilities arising from financing activities	<u>2,547</u>	<u>337</u>	<u>(877)</u>	<u>2,007</u>

14 Group structure

List of legal entities fully included in the scope of consolidation:

<u>Name</u>	<u>Country of incorporation</u>	<u>Head-quarter</u>	<u>% equity interest</u>		
			<u>2022</u>	<u>2021</u>	<u>2020</u>
BigRep America Inc., Wilmington, MA, USA	United States	Wilmington	100%	100%	100%
BigRep Private Ltd., Singapore	Singapore	Singapore	100%	100%	100%

BigRep controls BigRep America Inc. and BigRep Private Ltd. as both are 100% owned subsidiaries. BigRep has the voting majority in accordance with IFRS 10 and it has the ability to affect the returns through its power over the entity.

15 Contingent liabilities and contingent assets

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events that are outside the control of BigRep. Furthermore, present obligations are contingent liabilities if it is not probable that an outflow of resources will be required to settle the obligation and/or the amount of the obligation cannot be estimated with sufficient reliability.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are outside the control of BigRep.

There are no contingent liabilities or contingent assets at the reporting dates.

16 Related party transactions

Entities with significant influence over the Group

<u>Name</u>	<u>Place of incorporation</u>	<u>Ownership stakes</u>		
		<u>31 December 2022</u>	<u>31 December 2021</u>	<u>1 January 2021</u>
Koehler Invest GmbH	Oberkirch	34.3%	35.6%	31.3%
BASF Venture Capital GmbH	Ludwigshafen	28.2%	29.0%	22.7%

Note 1—Basis of preparation and Note 14—Group structure provide additional information about the Group's structure and the scope of consolidation.

Key management personnel compensation

Key management personnel include the managing directors and the member of the advisory board and the compensation comprised the following:

Compensation of key management personnel

<i>in EUR thousand</i>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	489	554
Share-based payment transactions	(97)	263
Total compensation paid to key management personnel	<u>392</u>	<u>817</u>

Compensation of BigRep's key management personnel includes salaries, bonus payments and the advisory board compensation. The amounts disclosed in the table are the amounts recognized as an expense during the reporting periods related to key management personnel.

Furthermore, key management personnel of BigRep are entitled to participate in a share-based payment program (please refer to Note 10.8—Share-based payments for further information). BigRep recognized liabilities arising from the SAR program for key management personnel in the amount of EUR 306 thousand as of December 31, 2022 (December 31, 2021: EUR 495 thousand; January 1, 2021 EUR 233 thousand).

In the reporting period 2022 2,154 options were granted to the key management personnel (2021: 2,333).

Transactions with related parties

The following transactions occurred with related parties:

Received goods and services

<i>in EUR thousand</i>	<u>2022</u>	<u>2021</u>
Receiving of services from key management personnel	—	(12)
Purchase of goods from other related parties	(129)	(74)
Total	<u>(129)</u>	<u>(85)</u>

Goods provided

<i>in EUR thousand</i>	<u>2022</u>	<u>2021</u>
Sale of goods to other related party	184	10
Total	<u>184</u>	<u>10</u>

Loans received and associated interest

<i>in EUR thousand</i>	<u>2022</u>	<u>2021</u>
Transactions resulting from loans received from entities with significant influence over the entity	(3)	(5)
Total	<u>(3)</u>	<u>(5)</u>

Outstanding balances arising from transactions with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

<i>in EUR thousand</i>	<u>31 December 2022</u>	<u>31 December 2021</u>	<u>1 January 2021</u>
Current payables to:			
Key Management Personnel	(1)	(5)	(10)
Other related parties	(20)	(7)	(10)
Current receivables from:			
Other related parties	<u>6</u>	<u>—</u>	<u>78</u>
Total	<u>(15)</u>	<u>(12)</u>	<u>58</u>
<i>in EUR thousand</i>	<u>31 December 2022</u>	<u>31 December 2021</u>	<u>1 January 2021</u>
Loans received from:			
Entities with significant influence over the entity	<u>(1,863)</u>	<u>—</u>	<u>(1,006)</u>
Total	<u>(1,863)</u>	<u>—</u>	<u>(1,006)</u>

All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in the next months of the reporting date. None of the balances are secured. No expense has been recognized in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties. Additionally, a limited individual guarantee in the amount of EUR 50 thousand from each BASF Venture Capital GmbH and Koehler Invest GmbH are provided to IBB as securities for the loan.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

17 Subsequent Events

After the balance sheet date December 31, 2022 BigRep issued convertible loans of EUR 4.1m in 2023. Further shareholder loans with an aggregate of EUR 4m were issued in March/April 2023 and in November/December 2023. All convertible shareholder loans issued in 2022 and 2023 were converted into share capital by resolution of the shareholders' meeting on August 18, 2023. Simultaneously, a cash capital increase was carried out which increased the share capital to EUR 666 thousand.

In 2024, further shareholder loans with a total amount of EUR 4.3m were issued.

On November 3, 2023, BigRep signed a share contribution agreement with HAGE Holding, under which HAGE Holding will contribute all shares in HAGE3D immediately prior to the closing of the business combination described below. As consideration for the contribution of the shares in HAGE3D, the HAGE Holding will become a BigRep shareholder.

On December 20, 2023 with amendments on May 28, 2024, SMG Technology Acceleration SE, BigRep and all of BigRep's shareholders entered into a business combination agreement relating to the business combination between SMG Technology and BigRep, pursuant to which SMG Technology intends to acquire all outstanding equity of BigRep, in exchange for a consideration consisting of Public Shares (the "Business Combination"). The business combination is expected to be completed in early Q3 2024.

Berlin, Germany

May 29, 2024

Sgd. Dr. Reinhard

Festag Sgd. Sven Thate

Managing Director (Geschäftsführer) BigRep GmbH

24. AUDITOR'S REPORT CONCERNING THE CONTRIBUTION IN-KIND

SMG Technology Acceleration SE
Société européenne

R.C.S. Luxembourg B279346

9, rue de Bitbourg
L-1273 LUXEMBOURG

Report of the “Réviseur d’entreprises agréé” on a contribution in kind (art. 420-10 and 420-23(6) of the law of August 10, 1915)

Table of contents

1.	Description of the engagement	1
2.	Context	1
3.	Description of the contribution in kind and valuation method	3
4.	Procedures performed	4
5.	Conclusion	5

To the shareholders of
SMG Technology Acceleration SE
Société européenne

R.C.S. Luxembourg B279346
9, rue de Bitbourg
L-1273 LUXEMBOURG

1. Description of the engagement

We have been appointed by the Management Board of SMG Technology Acceleration SE (the “**Company**”) to issue a report in relation to the issuance by the Company of eight million six hundred twenty-five thousand four hundred eighteen (8,625,418) new class A shares (the “**New Public Shares**”) which will be fully paid-up by a contribution in kind (the “**Contribution**”).

This report has been prepared in accordance with articles 420-10 and 420-23(6) of the law of August 10, 1915 on commercial companies, as amended (the “**Corporate Law**”), and in accordance with the relevant professional standard in Luxembourg as adopted by the “Institut des Réviseurs d’Entreprises”.

2. Context

The Company is a société européenne incorporated under the laws of the Grand-Duchy of Luxembourg, having its registered office at 9, rue de Bitbourg, L-1273 Luxembourg, Grand-Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under number B279346, with a share capital of EUR 240,560 represented by 2,200,000 redeemable class A shares, each without nominal value, listed on the Frankfurt Stock Exchange under ISIN LU2859870326 (the “**Public Shares**”) and 2,190,000 class B shares, each without nominal value (the “**Sponsor Shares**”), all subscribed and fully paid-up.

On December 20, 2023, the Company entered into a business combination agreement and on May 28, 2024 into an amendment agreement to the business combination agreement (together, the “**BCA**”) with:

- (1) BigRep GmbH, a limited liability company incorporated under the laws of Germany and registered in the commercial register (Handelsregister) of the local court (Amtsgericht) of Berlin-Charlottenburg under 155360B with registered office at Gneisenaustrasse 66, 10961 Berlin, Germany (“**BigRep**”);

- (2) BigRep shareholders (the “**Existing BigRep Shareholders**”);
- (3) HAGE Holding GmbH, a limited liability company incorporated under the laws of Austria and registered in the commercial register (Firmenbuch) of Austria (Landesgericht Leoberi) under FN 505547 b with registered office at HauptstraBe 52e, 8742 Obdach, Austria (“**HAGE Holding**” and together with the Existing BigRep Shareholders, “**BigRep Shareholders**”);
- (4) BSL BigRep Service GmbH, a limited liability company incorporated under the laws of Germany and registered in the commercial register (Handelsregister) of the local court (Amtsgericht) of Frankfurt am Main under HRB 132357 with registered office at Berliner Strasse 72, 6031 1 Frankfurt am Main, Germany (“**BSL**”).

On November 3, 2023, BigRep signed a share contribution agreement with HAGE Holding, under which HAGE Holding has contributed all shares in HAGE3D GmbH with statutory seat at HauptstraBe 52e, 8742 Obdach, Austria registered with the commercial register (Firmenbuch) of Austria (Landesgericht Leoberi) under FN 506597 (“HAGE3D”) to BigRep under the condition precedent (aufschiebende Bedingung) of a declaration of execution to be issued immediately prior to the consummation of the transactions (the “Transactions”) contemplated by the BCA. As consideration for the contribution of the shares in HAGE3D, BigRep will issue 106,074 new ordinary shares to HAGE Holding (the “**New BigRep Shares**” and together with the shares held by the Existing BigRep Shareholders, “**BigRep Shares**” or the “**Contributed Assets**”).

The Company, BigRep Shareholders and BSL are hereinafter individually referred to as a “**Party**” and collectively as the “**Parties**” in this Letter.

The Parties intend to achieve a business combination between the Company and BigRep (the “**Business Combination**”) through the acquisition of BigRep shares from BigRep Shareholders (the “**Contributors**”) by the Company. In this context, the Company intends to issue new Public Shares which will be fully paid by a contribution in kind (the “**Contribution**”) consisting of the contribution by BigRep Shareholders of 100% of BigRep Shares.

On 26 July 2024, pursuant to the terms of the BCA, the Company will acquire from the Contributors, by way of acquisition of the Contributed Assets, 100% of BigRep GmbH’s business.

3. Description of the contribution in kind and valuation method

According to the terms of the BCA, the Company undertook, among other transactions, to acquire from the Contributors, by way of acquisition of the Contributed Assets, 100% of BigRep’s business representing a total net contribution of eighty-six million two hundred fifty-four thousand one hundred eighty euros (EUR 86,254,180). This amount has been determined based on a pro forma enterprise value (the “**Enterprise Value**”) of one hundred thirty-three million euros (EUR 132,801,806), downward adjusted for a net debt of seven million five hundred forty-seven thousand six hundred twenty-six euros (EUR 7,547,626), for the future dilution effect from the Sponsor Shares, existing and to be issued before the business combination, upon their conversion into Public Shares, i.e. thirty-seven million five hundred thousand euros (EUR 37,500,000) and for the closing payout amount of BigRep’s employee participation scheme amounting to one million five hundred thousand euros (EUR 1,500,000).

The Enterprise Value has been determined based on the binding bid offer made by the Company to the Contributors after arm's length negotiations, which was supported by valuation of BigRep's business according to different valuation methods which include DCF and multiples of comparable companies.

In consideration for the Contribution, the Contributors will receive a compensation which will consist of an aggregate number of newly issued public shares of the Company (the "**New Public Shares**") determined by dividing the difference between the Contribution by EUR 10.00, being the value at which each new Public Share is issued (the "**Non-Cash Consideration**"), rounded down to the nearest whole number.

This Non-Cash Consideration corresponds to 8,625,418 New Public Shares.

Considering that the 8,625,418 New Public Shares to be issued have an accounting par value of approximately EUR 0.0548 each, the issuance of these New Public Shares will result in a share capital increase of four hundred seventy-two thousand six hundred forty-nine euros and thirty-two euro cents (EUR 472,649.32), with the difference between the value of the Non-Cash Consideration and the amount of the capital increase, amounting to eighty-five million seven hundred eighty-one thousand five hundred thirty euros and sixty-eight euro cents (EUR 85,781,530.68), being allotted to the share premium account.

4. Procedures performed

In conformity with the Corporate Law, the description and the valuation of the contribution in kind are the responsibility of the Management Board of the Company. Our responsibility is, on the basis of the work that we performed, to issue a report on the appropriateness of the total value of the Contributed Assets compared to the number and nominal value of the shares to be issued as consideration plus the share premium.

We conducted our procedures in accordance with the applicable professional standard in Luxembourg as adopted by the "Institut des Réviseurs d'Entreprises". This standard requires that we plan and perform our procedures to obtain a moderate assurance as to whether the value of the Contributed Assets corresponds at least to the number and nominal value of the shares to be issued as consideration plus the share premium.

In the context of this transaction, where the total consideration comprises a combination of a cash consideration and a non-cash consideration, our procedures have been designed in order to obtain a moderate assurance as to whether the value of the Contribution, reduced by the amount of the Cash Consideration, corresponds at least to the number and nominal value of the shares to be issued as consideration plus the share premium.

In particular, we have carried out the following procedures to assess whether the value of the Contributed Assets, as it has been retained for the contribution, was not overstated as compared to their market value:

- We examined and analyzed Management's valuation of BigRep GmbH's business which was carried out based on preliminary financial information¹ as of December 31, 2023;
- We have obtained and inspected the Business Combination Agreement dated December 20, 2023 and the Amendment Agreement relating to the BCA dated May 28, 2024, and verified among others that there were no contradictions between our understanding of the details of the transaction, as we summarize them in this report, and the way how they are presented in these documents;
- We analyzed significant events occurred between December 31, 2023 and the date of this report; and

¹ Draft figures available on the date of signing of the BCA (i.e. December 20, 2023)

- We carried independent valuation using the venture capital method, using financial information as of different dates including December 31, 2023 and March 31, 2024.

In complement to the valuation review and reperformance work, which is deemed critical in a transaction such as the one presented, we have carried out the following procedures:

- We have obtained and inspected the audited consolidated financial statements of the Company as of December 31, 2023, which are presented in Appendix 1;
- We have obtained and inspected the audited consolidated financial statements of BigRep as of December 31, 2023, as presented in appendix 2, in order to identify trends or variances which may cast doubt about the appropriateness of the inputs and assumptions used for the valuation of the business of BigRep.

We draw your attention on the fact that our procedures were limited primarily to inquiries of the Management Board and Management of the Company, inquiries of the Management of BigRep, inquiries of the legal advisors of the Company and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly we do not express an audit opinion.

5. Conclusion

Based on our procedures, nothing has come to our attention that causes us to believe that the value of the Contribution does not at least correspond to the number and par value of the New Public Shares to be issued as consideration (i.e. four hundred seventy-two thousand six hundred forty-nine euros and thirty-two euro cents (EUR 472,649.32)), plus the share premium (i.e. eighty-five million seven hundred eighty-one thousand five hundred thirty euros and sixty-eight euro cents (EUR 85,781,530.68)).

Our report has been produced solely for the purposes of meeting the requirements of articles 420-10 and 420-23(6) of the law of August 10, 1915 on commercial companies, as subsequently modified, and cannot be reproduced or distributed, in part or in whole, except in applying the law, without our prior written consent.

Luxembourg, July 26, 2024

For Forvis Mazars, Cabinet de révision agréé
5, rue Guillaume J. Kroll
L-1882 LUXEMBOURG

DocuSigned by:


4574F35253B847A...

Fabien DELANTE
Réviseur d'entreprises agréé

25. GLOSSARY

APMs	Financial information and operating data that is not prepared in accordance with IFRS or any other internationally accepted accounting principles.
BaFin	The German Federal Financial Supervisory Authority (<i>Bundesanstalt für Finanzdienstleistungsaufsicht</i>).
CSSF	The Commission de Surveillance du Secteur Financier, 283, route d’Arlon, L-1150 Luxembourg, Luxembourg.
EEA	The European Economic Area.
IFRS	The International Financial Reporting Standards as adopted by the EU.
ISIN	International Securities Identification Number.
LEI	Legal entity identifier.
LuxCSD	LuxCSD S.A., 42, Avenue John F. Kennedy, L-1855 Luxembourg, Luxembourg.
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended.
RESA	The <i>Recueil Électronique des Sociétés et Associations</i> .
Securities Act	The U.S. Securities Act of 1933, as amended.

26. RECENT DEVELOPMENTS AND TREND INFORMATION

26.1 Recent Developments of SMG Technology

On April 26, 2024, SMG Technology published an ad hoc announcement with respect to the postponement of the publication of SMG Technology's standalone and consolidated financial statements for the fiscal year 2023 until a date yet to be determined after April 30, 2024. This was particularly due to an increase in SMG Technology's liquidity requirements as a result of the delay of the Business Combination with BigRep. The audit and adoption of the standalone and consolidated financial statements of SMG Technology were subject to the conditions for accounting on a going-concern basis being met. On June 4, 2024, SMG Technology published SMG Technology's standalone and consolidated financial statements for the fiscal year 2023.

On May 28, 2024, SMG Technology, BigRep and certain related parties entered into an agreement to, amongst others, secure additional liquidity for SMG Technology to enable SMG Technology to meet the conditions for accounting on a going-concern basis. In connection with this agreement, the Sponsor and de Krassny entered into a side agreement, pursuant to which the Sponsor agreed to transfer all Sponsor Shares to de Krassny save for 8,800,000 Sponsor Shares available to the Sponsor at the consummation of the Business Combination. The cash proceeds were advanced by the Sponsor to the following affiliated undertakings which in turn repaid the following amounts owed to SMG Technology: (i) €1,092,474.89 from SMG Holding; (ii) €1,034,000.00 from SMG Hospitality SE; and (iii) €773,525.11 from SMG SPAC Investment S.à r.l. SMG Technology still holds a receivable against SMG Holding in the principal amount of €657,525.11 which is due twelve months following the consummation of the Business Combination.

On May 28, 2024, SMG Technology, BigRep, the BigRep Shareholders, HAGE Holding and BSL entered into the amendment agreement to the Business Combination Agreement. The amendment agreement reflects, amongst others, (i) the implications of refraining from an envisaged PIPE financing, (ii) the forfeiture of the Sponsor Warrants, (iii) the reduction of the minimum cash condition, (iv) changes to the board composition, (v) changes to the fees and expenses, (vi) postponement of the termination date, and (vii) changes to the lock-up undertakings.

On July 25, 2024 the SMG Technology's general shareholders' meeting resolved on a 10:1 reverse stock split.

On July 25, 2024, SMG Technology's extraordinary shareholders meeting approved the Business Combination and resolved on the change of the corporate purpose and the name of the Company to BigRep SE as of the consummation of the Business Combination as well as the respective amendments to the Articles of Association. The extraordinary shareholders meeting also acknowledged the resignation of Ewald Weizenbauer, Geza Toth-Feher Lord Kennal, Rhett Oudkerk Pool and Benoît de Belder as members of the supervisory board and Dr. Stefan Petrikovics, George Aase, René Geppert and Werner Weynand as members of the management board, and granted discharge to all members of the management board and the supervisory board.

Dr. Peter Smeets (chairman), Philipp Prechtel, Florian Hampel (vice-chairman), Tommy Grosche and Isabella de Krassny were appointed by the general shareholders' meeting as new members of the Supervisory Board, each subject to the condition precedent of the consummation of the Business Combination and each effective as of the date following the consummation of the Business Combination. Further, the extraordinary shareholders meeting approved the remuneration of the members of the Supervisory Board.

The delegate of the Supervisory Board by resolution dated July 26, 2024, appointed Dr. Sven Thate (CEO) and Dr. Reinhard Festag (CFO) as new members of the Management Board, each subject to the condition precedent of the consummation of the Business Combination and each effective as of the date following the consummation of the Business Combination.

On July 26, 2024, the Management Board resolved, among other things, to increase the share capital from €240,560.00 to €913,767.32 from its authorized capital, and the delegate of the Supervisory Board approved of such increase of the share capital by resolution of July 26, 2024.

On July 29, 2024, the Company received 771,832 shares in BigRep (reflecting 100% of its share capital) by way of a contribution in-kind and share transfer from the BigRep Shareholders under the Business Combination Agreement.

Except as described above, there have been no significant changes to the financial position or financial performance of SMG Technology between January 1, 2024 and the date of this Prospectus.

26.2 Recent Developments of BigRep

On May 29, 2024, BigRep's results for the fiscal year ended December 31, 2023 were audited.

From January 2024, to July 2024, the shareholder loan agreements mentioned in Section "12.14.1 Bank Loan and Shareholder Loan Agreements" were drawn down in the amount of €5,270,000.

On July 19, 2024, the share capital of BigRep GmbH was increased by €106,074 to €771,832 to consummate the HAGE3D acquisition described in Section "12.13 The HAGE3D Acquisition".

Except as described above, there have been no significant changes to the financial position or financial performance of BigRep between January 1, 2024 and the date of this Prospectus.

26.3 Trend Information

This section includes forward-looking statements. These forward-looking statements are not guarantees of future financial performance and BigRep's actual results could differ materially from those expressed or implied by these forward-looking statements as a result of many factors, including, but not limited to, those described under Sections "1. Risk Factors", "2.4 Information on the Company's Securities" and "12. Business Description". In particular, the financial and operational developments discussed in this section are only expectations or targets, as the case may be, and are not, and should not be, viewed as forecasts, projections or estimates of BigRep's future performance. Investors are urged not to place undue reliance on any of the statements set forth below.

The 3D printing industry has been significantly impacted by macroeconomic and geopolitical uncertainties in 2023. The steep rise in interest rates resulted in capital expenditure headwinds, leading to low single digit overall industry growth. In this challenging market environment BigRep grew its 2023 revenues by 24% year-on-year and maintained high gross margins of 49% as well as an increased share of Lifetime Value in the amount of 40%. While management expects the macroeconomic headwinds to persist in the coming months, it also expects a more-favorable industry outlook for the second half of 2024 as well as first positive inorganic business impact of the then executed acquisition of HAGE3D, its Austrian competitor, via the complementary product portfolio and market reach.

BigRep's product development has led to the launch of a new printer, the VIIO 250. It is expected that this product launch will contribute to overall growth in the second half of 2024. Driven by those factors, the Company targets to accelerate its growth path in the medium term, both organically and inorganically. The next development activities will focus on unlocking the full potential of the HAGE3D printer within the BigRep solution of hardware, software, materials, and services.

Registered Office of the Company

9, rue de Bitbourg, L-1273 Luxembourg,
Luxembourg

Legal Advisors

as to matters of German and U.S. law

Sullivan & Cromwell LLP

Neue Mainzer Straße 52
60311 Frankfurt am Main
Germany

as to matters of Luxembourg law

Arendt & Medernach SA

41A avenue JF Kennedy
L-2082 Luxembourg
Luxembourg

Legal Advisors to the Listing Agent

Willkie Farr & Gallagher LLP

An der Welle 4
60322 Frankfurt am Main
Germany

Independent Auditor

(réviseur d'entreprises agréé)

Forvis Mazars Luxembourg S.A.

5, Rue Guillaume J. Kroll
L-1882 Luxembourg
Luxembourg

**HaackSchubert GmbH
Wirtschaftsprüfungsgesellschaft**

Hafeninsel 11
63067 Offenbach am Main
Germany